

RESOLUTION NO. R25-49

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COLUMBUS, NEBRASKA, APPROVING A LOAN AGREEMENT WITH K HERMAN DEVELOPMENT, LLC IN THE TOTAL AMOUNT OF \$1,200,000 FOR TWO WORK-FORCE HOUSING DEVELOPMENT PROJECTS, USING ECONOMIC DEVELOPMENT PLAN FUNDS AS RECOMMENDED BY THE CITIZENS ADVISORY REVIEW COMMITTEE; A COPY OF SAID AGREEMENT IS ATTACHED HERETO AND INCORPORATED HEREIN; TO AUTHORIZE THE MAYOR TO EXECUTE THE SAME ON BEHALF OF THE CITY; AND TO REPEAL ALL RESOLUTIONS OR PORTION THEREOF IN CONFLICT HERewith.

WHEREAS, under the City of Columbus, Nebraska's Economic Development Plan, 2019 through 2027, a primary goal of said plan is to "improve housing options for both current and prospective employees and families" and an eligible activity under such plan is "housing projects designed to create work-force housing for employees and families"; and

WHEREAS, K Herman Development, LLC is developing work-force housing in the form of 152 or more residential units built in two projects and on two parcels of real property in the City of Columbus; and

WHEREAS, K Herman Development, LLC's application for Local Economic Development Funds has been reviewed by the Citizens Advisory Review Committee (CARC); and

WHEREAS, the CARC has recommended the loan be approved by the City Council in the total amount of \$1,200,000 at two percent (2%) interest per annum for two projects as detailed in the attached loan agreement, which is made a part of this resolution by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF COLUMBUS, NEBRASKA, that the loan agreement with K Herman Development LLC, in the total amount of \$1,200,000 for assistance from the City's Local Economic Development Fund concerning work-force housing development is hereby approved, a copy of said loan agreement is attached hereto and incorporated herein by this reference; and the mayor is authorized, directed and empowered to execute the same on behalf of the City of Columbus.

This resolution shall repeal all resolutions or portions thereof in conflict herewith.

INTRODUCED BY COUNCIL MEMBER _____

PASSED AND ADOPTED THIS ____ DAY OF _____, 2025.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



City Hall
2500 14th St.
Columbus, NE 68601
402-562-4232
columbusne.us

memorandum

DATE: April 2, 2025
TO: Tara Vasicek, City Administrator
FROM: Jean Van Iperen, Planning & Economic Development Co
RE: LB840 Loan for K Herman Development, LLC

RECOMMENDATION:

Approval of the resolution

DISCUSSION:

The Citizens Advisory Review Committee (CARC) has reviewed and approved the recommendation for a \$1,200,000 loan at a 2% interest rate from LB840 funds to K Herman Development, LLC. The proposed loan will support the construction of 152 residential or more rental units across two separate projects in Columbus. K Herman Development plans to build a minimum of 68 units within Vitality Village, while the remaining units will be developed on a parcel south of 45th Avenue. Given the separate project timelines, the loan will be disbursed in two installments of \$600,000 each, with distinct benchmarks established for the commencement of each phase.

The repayment structure includes interest-only payments for the first five years, followed by a balloon payment upon maturity.

This expansion aligns with the city's strategic objectives to improve housing options for both current and prospective employees and families and is an eligible activity under the plan to support housing projects designed to create workforce housing.

The recommendation for this loan comes from the Community Advisory Review Committee (CARC).

ALTERNATIVE:

Do not approve.

Signature:

Approved By:

LOAN AGREEMENT

This Agreement is made and entered into as of the dates indicated below, by and between The City of Columbus, a municipal corporation of the State of Nebraska (hereinafter referred to as the "Lender"), and K Herman Development, LLC, a limited liability company of the State of Nebraska (hereinafter referred to as "Borrower").

WHEREAS, Borrower, submitted an application for financial assistance from Lender's "840" Local Economic Development Fund for financial assistance in its desired construction of a least 152 residential 2-bedroom units in two separate projects at two different development sites in the City of Columbus; and

WHEREAS, the application for "840" Local Economic Development Funds has been reviewed by the Citizens Advisory Review Committee (CARC) and the CARC has recommended the loan be approved by the City Council in the total amount of \$1,200,000 at 2% interest per annum; and

WHEREAS, the parties are desirous to proceed with such loan under the terms and conditions of this Loan Agreement, and the corresponding Deeds of Trust and Promissory Note.

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. **Purpose of Loan.** The Lender is making a loan, as herein described in this Agreement, to Borrower under the Lender's Economic Development Program to assist Borrower with its construction of 68 or more residential units in the Vitality Village Addition to the City of Columbus, and its construction of 84 or more residential units on the northeast corner of the property located at Platte County Parcel ID Number 710023107. The two parcels of land (which are both under contract for purchase by Borrower) wherein said units will be constructed are hereinafter referred to as Parcel 1 and Parcel 2, and said parcels are more legally described as follows:

Parcel 1:

Lots 1, 2, 3 and 4, Block A; Lots 1 and 2, Block B and Lot 2, Block C all in Vitality Village Subdivision of Lots 8-11, Block A, and Lots 1-12, Block B, and Lots 9-13, Block C, and Lots 1 and 2, Block D, Vitality Village Addition to the City of Columbus, Platte County, Nebraska, and any subdivisions or replats thereof.

Parcel 2:

Five acres south of 45th Avenue in NW1/4, exact legal description to be determined by land sale survey,

2. **General Borrower Requirements.** Borrower shall be required to:
- a. Only use the loan proceeds contemplated herein for the purposes that have been stated in this Agreement.
 - b. Allow Lender, or its designated agents, access to inspect the properties and parcels described in Paragraph 1 along with any and all of resident units themselves.
 - c. Promptly inform Lender in writing of all material changes in Borrower's financial condition, and all existing and all threatened litigation, claims, investigation, administrative proceedings, or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.
 - d. Construct the 152 total, or more, residential units at the two parcels of real estate contemplated herein so that said developments and units substantially and materially adhere to Borrower's proposal that it made in its "Economic Development Plan Application", attachments thereto, and any amendments thereto. Said application, attachments, and amendments are incorporated herein by this reference.
3. **Two Separate Projects By Borrower.** The parties agree that Borrower has two separate construction projects governed by this Agreement. Said projects shall be labeled as Project 1 (which shall pertain to Parcel 1) and Project 2 (which shall pertain to Parcel 2). As to the specific project, the parties agree as follows:
- a. **Project 1.**
 - i. **Additional Borrower Requirements.** In addition to its general requirements set forth in this Agreement, for Project 1 Borrower shall be required to:
 1. Begin housing construction for Project 1 at Parcel 1 on or before July 15, 2025.
 2. Comply with applicable Rental Amount Restrictions. Specifically, Borrower agrees that during the total term of this Agreement that the base rent amount it may charge to tenants at the 68 or more units at Vitality Village shall be developed in accordance with the Affordability Covenants that are found in the "Declaration of Covenants, Conditions, Restriction, And Easements" covenants which have been previously recorded with the Platte County Register of Deeds in relation this property.

- ii. **Loan Amount.** Lender will lend Borrower \$600,000 at two percent (2%) interest per annum.
- iii. **Loan Disbursement.** Lender shall disperse the Loan Amount stated in Paragraph 3(a)(ii) in the following manner:
 - 1. The sum of \$600,000 shall be dispersed by Lender to Borrower within 30 days of Borrower beginning construction (i.e., the receiving of a fully approved building permit and mobilizing construction crews) at Parcel 1 in the Vitality Village location. Borrower is to provide written notification to Lender of its mobilization date.
- iv. **Repayment.** Borrower shall repay the total Loan Amount, plus 2% interest per annum, within five (5) years following the date of distribution for Project 1, whichever is earliest, as referenced in Paragraph 3(a)(iii) above. Interest only payments shall be made quarterly by Borrower, and at the end of the five-year period a balloon payment shall be due for any remaining principal and interest. Such installment payments shall be made in the manner and schedule contained in "Exhibit A" (titled "Loan Amortization Schedule for Project 1") which is attached hereto and incorporated herein by this reference. The parties acknowledge that the dates listed on the Loan Amortization Schedule are estimated dates and that said dates can be and may be unilaterally adjusted by Lender to account for the actual initial disbursement date. Borrower may prepay this obligation, in full or in part, at any time. No penalty will be assessed for any prepayment.
- v. **Borrower's Approval and Execution Deadline.** Borrower must execute and deliver to the Lender a fully executed signed copy of this Agreement, and all required Deeds of Trust and Promissory Notes, on or before July 1, 2025. Further, Borrower must request the disbursement for Project 1 contemplated herein on or before July 15, 2025. If either of the forementioned does not occur then, unless specifically waived in writing by Lender, this entire Agreement may automatically be considered null and void at Lender's sole discretion. Upon this Agreement becoming null and void, then:
 - 1. Borrower shall have no right to the funds contemplated herein and releases and relinquishes any and all claims and said funds;
 - 2. Lender shall not provide any Local Economic Development funds to Borrower that as are contemplated herein;
 - 3. Borrower shall no longer be obligated to sign any Promissory Notes or Deeds to Trust; and

4. Lender may in its sole discretion reallocate in any manner which it sees fit to another applicant/recipient the Local Economic Development funds that were contemplated herein.

b. Project 2.

- i. **Additional Borrower Requirements.** In addition to its general requirements set forth in this Agreement, for Project 2 Borrower shall be required to:
 1. Have all planning, zoning, and a redevelopment plan completed for Project 2 and Parcel 2 on or before August 1, 2025.
 2. Begin housing construction for Project 2 at Parcel 2 on or before October 1, 2025.
- ii. **Loan Amount.** Lender will lend Borrower \$600,000 at two percent (2%) interest per annum.
- iii. **Loan Disbursement.** Lender shall disperse the Loan Amount stated in Paragraph 3(b)(ii) in the following manner:
 1. The sum of \$600,000 shall be dispersed by Lender to Borrower within 30 days of Borrower being issued a building permit concerning Parcel 2.
- iv. **Repayment.** Borrower shall repay the total Loan Amount, plus 2% interest per annum, within five (5) years following the date of distribution for Project 2, whichever is earliest, as referenced in Paragraph 3(b)(iii) above. Interest only payments shall be made quarterly by Borrower, and at the end of the five-year period a balloon payment shall be due for any remaining principal and interest. Such installment payments shall be made in the manner and schedule contained in “Exhibit B” (titled “Loan Amortization Schedule For Project 2”) which is attached hereto and incorporated herein by this reference. The parties acknowledge that the dates listed on the Loan Amortization Schedule are estimated dates and that said dates can be and may be unilaterally adjusted by Lender to account for the actual initial disbursement date. Borrower may prepay this obligation, in full or in part, at any time. No penalty will be assessed for any prepayment.
- v. **Borrower’s Approval and Execution Deadline.** Borrower must execute and deliver to the Lender a fully executed signed copy of this Agreement, and all required Deeds of Trust and Promissory Notes, on or before July 1, 2025. Further, Borrower must request the disbursement for Project 2 contemplated herein on or before October 1, 2025. If either of the forementioned does not occur then, unless

specifically waived in writing by Lender, this entire Agreement may automatically be considered null and void at Lender's sole discretion. Upon this Agreement becoming null and void, then:

1. Borrower shall have no right to the funds contemplated herein and releases and relinquishes any and all claims and said funds;
 2. Lender shall not provide any Local Economic Development funds to Borrower that as are contemplated herein;
 3. Borrower shall no longer be obligated to sign any Promissory Notes or Deeds to Trust; and
 4. Lender may in its sole discretion reallocate in any manner which it sees fit to another applicant/recipient the Local Economic Development funds that were contemplated herein.
4. **Security Interest is In Junior Position.** Lender hereby acknowledges that the Security Interests created by this Agreement and related documents will be a junior lien in second position on both Parcel 1 and Parcel 2. It is understood and agreed by the Borrower and Lender that this junior position does not reduce or affect Lender's rights as a secured creditor, except to acknowledge there is a senior creditor with a senior lien position as to Parcel 1 and Parcel 2.
5. **Other Documents Incorporated and To Be Completed.** Borrower shall complete, execute, and provide the following documents to the satisfaction of Lender; all of said documents are fully made a part hereto and incorporated herein to this Agreement by this reference:
 - Promissory Note for Project 1;
 - Promissory Note for Project 2;
 - Deed of Trust (in second position) on Project 1;
 - Deed of Trust (in second position) on Project 2; and
 - Resolution of K Herman Development, LLC, authorizing the loan contemplated herein and the execution of all necessary documents.
6. **Insurance.** Borrower shall at all times while this Agreement is operable, maintain and/or cause to be in effect, insurance policies (which may include, but not necessarily limited to: fire insurance, public liability insurance, flood insurance, hazard insurance, and other risk insurances) that at a minimum cover the entire outstanding indebtedness. Lender will be named as additional insured on all policies. Borrower will provide Lender with annual certificates from its insurers confirming the existence of the insurance coverage required herein; and will immediately notify Lender of any cancellation or lapse of coverage.

7. **Taxes, Liens, and Charges.** Borrower shall pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would be attached.
8. **Default and Acceleration of Debt.** If Borrower shall default under this Agreement, either Deed of Trust, or either Promissory Note, then Lender may utilize all such remedies as may be available in this Agreement, the Deeds of Trust, the Promissory Notes, or as may otherwise be available in law or in equity. In the event of a default, Lender may at its option declare the entire indebtedness to be immediately due and payable. The failure of Borrower to fulfill any of its obligations under this Agreement shall obligate Borrower to pay all expenses, including reasonable attorney fees, incurred by the Lender because of that failure. The Parties agree that every condition, covenant, and provision of this Agreement, the Deeds of Trust, and the Promissory Notes are material and reasonable. Any breach by Borrower of a condition, covenant, or provision of this Agreement, the Deeds of Trust, or the Promissory Notes will constitute a material breach and a default of Borrower's obligations. Examples of material breaches include, but are not limited to, the following:
- a. Failure of Borrower to abide by any provision(s) of this Agreement, the Deeds of Trust, or the Promissory Notes.
 - b. Abandonment of either Parcel 1 or Parcel 2, or both, by Borrower.
 - c. Not acquiring ownership of either Parcel 1 or Parcel 2 or both.
 - d. Failure of Borrower to make the repayment obligations payment as required under this Agreement, the Deeds of Trust, or the Promissory Notes.
 - e. Borrower files a voluntary petition under the Bankruptcy Act of the United States, or is judged bankrupt under such act, or is the subject of a petition filed in federal or state court for the appointment of a trustee or receiver in bankruptcy or insolvency or makes a general assignment for the benefit of creditors.
 - f. Discovery by Lender that any material information provided by Borrower related to its Economic Development Plan Application is/was materially false.
 - g. Unapproved or unauthorized transfer of any interest acquired under this Agreement by Borrower.
 - h. Use of the real estate for unlawful purposes by Borrower.
 - i. Use of the real estate for primary purposes other than residential purposes.
 - j. Maintaining, committing, or permitting of a nuisance on the real estate.
 - k. Borrower's default(s) with any junior creditor / junior lien holder.
 - l. Borrower's default(s) with any senior creditor / junior senior holder.
 - m. Borrower's default on Project 1 may be considered as a default on Project 2.
 - n. Borrower's default on Project 2 may be considered as a default on Project 1.

o. The Lender in good faith believes itself insecure as to this loan.

9. **Project Publicity.** Borrower agrees to allow Lender to issue news releases, take photos, and otherwise share information and/or make announcements about this project. Lender is not required to obtain any approval, written or otherwise, from the Borrower.

10. **Notices.** The Parties expressly agree for the purposes of notice, including legal service of process during the term of this Agreement and for the period of any applicable statutes of limitations thereafter, for the following named individuals shall be the authorized representatives of the parties.

City of Columbus Attn: Tara Vasicek P.O. Box 1677 Columbus, NE 68602	K Herman Development LLC Attn: Kelby Herman 4407 West Norfolk Ave Norfolk, NE 68701
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Or such other representative at such address as either Party may designate from time to time by written notice to the other Party in accordance with this Paragraph.

All notices, requests, demands or other communications under this Agreement shall be in writing and shall be deemed to have been given the date of service if served personally on the party to whom notice is given or on the fifth (5th) day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed as shown above.

11. **Non-Waiver.** No waiver by Lender of any default shall operate as a waiver of any other default or of the same default on a future occasion.

12. **Applicable Law.** Lender and Borrower agree that Nebraska law shall govern this Agreement. The Parties shall submit to personal jurisdiction and subject matter jurisdiction of the State of Nebraska in Platte County for any dispute between the Parties. Borrower shall further comply with any and all Zoning, Permitting, and City Code requirements of the City of Columbus, Nebraska.

13. **Binding Effect.** This Agreement shall extend to and be binding upon the heirs, personal representatives, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) of the parties hereto.

14. **Severability.** Invalidation of any one or more of the provisions of this Agreement, by judgment or court order, shall in no way affect any other provision of the Agreement, which other provisions shall remain in full force and effect.

15. **Caption Headings.** Caption Headings in this Agreement are for convenience only and are not to be used to interpret or define the provisions of the Agreement.

16. **Modification of Agreement.** This Agreement may not be modified, altered, changed, or amended except by written instrument executed by all Parties hereto.

17. **Authorization.** Borrower's execution, delivery, and performance of this Agreement have been duly authorized by all necessary action by the Borrower and does not conflict with, result in a violation of, or constitute a default under any provision of any agreement or other instrument binding upon the Borrower, or with any law, regulation, or court order that is applicable to the Borrower in any way. Kelby Herman has been authorized to sign all documents associated with this Agreement on Borrower's behalf.

18. **Counterparts.** Agreement may be executed in any number of counterparts, including by way of electronically scanned or emailed signatures, each of which shall be an original and which together shall constitute a single document.

19. **Full Integration.** This document is a fully integrated agreement and supersedes any and all prior agreements, whether oral or written, between the parties, and this document embodies a full and complete understanding of the parties.

Executed this ____ Day of _____, 2025, by K Herman Development, LLC.
K Herman Development, LLC.

Kelby Herman, as sole member of and
on behalf of K Herman Development, LLC.

Executed this ____ Day of _____, 2025, by The City of Columbus.
BY: ATTEST:

James Bulkley, Mayor of the
City of Columbus

City Clerk, City of Columbus

APPROVED AS TO FORM:

City Attorney, City of Columbus

EXHIBIT A

Loan Amortization Schedule for Project 1

LOAN AMORTIZATION SCHEDULE

ENTER VALUES		LOAN SUMMARY	
Loan amount	\$800,000.00	Scheduled payment	\$0.00
Annual interest rate	2.00%	Scheduled number of payments	20
Loan period in years	5	Actual number of payments	20
Number of payments per year	4	Total early payments	\$0.00
Start date of loan	7/1/2025	Total interest	\$60,000.00
Optional extra payments	\$0.00	LENDER NAME	City of Columbus

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULE D PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	7/1/2025	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$3,000.00
2	10/1/2025	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$6,000.00
3	1/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$9,000.00
4	4/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$12,000.00
5	7/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$15,000.00
6	10/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$18,000.00
7	1/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$21,000.00
8	4/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$24,000.00
9	7/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$27,000.00
10	10/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$30,000.00
11	1/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$33,000.00
12	4/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$36,000.00
13	7/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$39,000.00
14	10/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$42,000.00
15	1/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$45,000.00
16	4/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$48,000.00
17	7/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$51,000.00
18	10/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$54,000.00
19	1/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$57,000.00
20	4/1/2030	\$800,000.00	\$603,000.00	\$0.00	\$603,000.00	\$600,000.00	\$3,000.00	\$0.00	\$60,000.00

EXHIBIT B

Loan Amortization Schedule for Project 2

LOAN AMORTIZATION SCHEDULE

ENTER VALUES					LOAN SUMMARY				
Loan amount		\$800,000.00			Scheduled payment		\$0.00		
Annual interest rate		2.00%			Scheduled number of payments		20		
Loan period in years		5			Actual number of payments		20		
Number of payments per year		4			Total early payments		\$0.00		
Start date of loan		10/1/2025			Total interest		\$60,000.00		
Optional extra payments		\$0.00			LENDER NAME		City of Columbus		

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULE D PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	1/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$3,000.00
2	4/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$6,000.00
3	7/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$9,000.00
4	10/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$12,000.00
5	1/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$15,000.00
6	4/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$18,000.00
7	7/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$21,000.00
8	10/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$24,000.00
9	1/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$27,000.00
10	4/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$30,000.00
11	7/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$33,000.00
12	10/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$36,000.00
13	1/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$39,000.00
14	4/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$42,000.00
15	7/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$45,000.00
16	10/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$48,000.00
17	1/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$51,000.00
18	4/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$54,000.00
19	7/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$57,000.00
20	10/1/2030	\$800,000.00	\$603,000.00	\$0.00	\$603,000.00	\$600,000.00	\$3,000.00	\$0.00	\$60,000.00

PROMISSORY NOTE

\$600,000.00

FOR VALUABLE CONSIDERATION, K Herman Development, LLC, whose mailing address is 4407 West Norfolk Ave., Norfolk, Nebraska, 68701), the undersigned, promises to pay to the order of The City of Columbus (located at 2500 14th St, Columbus, Nebraska, 68602), the total sum of Six Hundred Thousand Dollars (\$600,000.00) with two percent (2%) interest thereon as described herein, for payment of which it binds itself, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agree to pay this Note, with payment to be made as follows:

Six Hundred Thousand Dollars (\$600,000.00) with two percent (2%) interest shall be due and payable in the manner and schedule contained in "Exhibit A" (titled "Loan Amortization Schedule") which is attached hereto and incorporated herein by this reference.

K Herman Development LLC, acknowledges that the dates listed on the Loan Amortization Schedule can unilaterally be adjusted by the City of Columbus to account for the actual disbursement date.

In case of default in the payment or in case of a breach in any of the terms, conditions and covenants of that certain Loan Agreement, dated _____, 2025, and entered into between the City of Columbus and K Herman Development, LLC, (herein Loan Agreement) or the terms and conditions of the Deeds of Trust given to secure this Note, then upon occurrence of any of the above said events the entire indebtedness shall become due and payable at the option of the legal holder hereof and payment thereof may be enforced forthwith. K Herman Development LLC acknowledges that the dates listed on the Loan Amortization Schedule are estimated dates and that said dates can be and may be unilaterally adjusted by Lender to account for the actual initial disbursement date.

The terms, covenants, conditions, provisions, stipulations and agreements of the said Loan Agreement and said Deeds of Trust are hereby made a part of this Promissory Note to the same extent and with the same effect as if they were fully set forth herein, and the undersigned does hereby covenant and promise to abide by and comply with each and every covenant and condition set forth in this Promissory Note, the accompanying Loan Agreement and the Deeds of Trust given to secure the same.

Dated this _____ day of _____, 2025.

Kelby Herman, as Owner as sole member of and
on behalf of K Herman Development, LLC.

STATE OF NEBRASKA)
) ss.
COUNTY OF PLATTE)

Before me, a notary public qualified for said county, personally came Kelby Herman, as sole member of and on behalf of K Herman Development, LLC, known to me to be the identical person who signed the foregoing Promissory Note and acknowledged the execution thereof to be his/her voluntary act and deed.

DATED this _____ day of _____, 2025.

NOTARY PUBLIC

EXHIBIT A

LOAN AMORTIZATION SCHEDULE

ENTER VALUES					LOAN SUMMARY				
Loan amount	\$800,000.00				Scheduled payment	\$0.00			
Annual interest rate	2.00%				Scheduled number of payments	20			
Loan period in years	5				Actual number of payments	20			
Number of payments per year	4				Total early payments	\$0.00			
Start date of loan	10/1/2025				Total interest	\$80,000.00			
Optional extra payments	\$0.00				LENDER NAME	City of Columbus			

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULE D PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	1/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$3,000.00
2	4/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$6,000.00
3	7/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$9,000.00
4	10/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$12,000.00
5	1/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$15,000.00
6	4/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$18,000.00
7	7/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$21,000.00
8	10/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$24,000.00
9	1/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$27,000.00
10	4/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$30,000.00
11	7/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$33,000.00
12	10/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$36,000.00
13	1/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$39,000.00
14	4/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$42,000.00
15	7/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$45,000.00
16	10/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$48,000.00
17	1/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$51,000.00
18	4/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$54,000.00
19	7/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$57,000.00
20	10/1/2030	\$800,000.00	\$803,000.00	\$0.00	\$803,000.00	\$800,000.00	\$3,000.00	\$0.00	\$80,000.00

PROMISSORY NOTE

\$600,000.00

FOR VALUABLE CONSIDERATION, K Herman Development, LLC, whose mailing address is 4407 West Norfolk Ave., Norfolk, Nebraska, 68701), the undersigned, promises to pay to the order of The City of Columbus (located at 2500 14th St, Columbus, Nebraska, 68602), the total sum of Six Hundred Thousand Dollars (\$600,000.00) with two percent (2%) interest thereon as described herein, for payment of which it binds itself, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agree to pay this Note, with payment to be made as follows:

Six Hundred Thousand Dollars (\$600,000.00) with two percent (2%) interest shall be due and payable in the manner and schedule contained in "Exhibit B" (titled "Loan Amortization Schedule") which is attached hereto and incorporated herein by this reference.

K Herman Development LLC, acknowledges that the dates listed on the Loan Amortization Schedule can unilaterally be adjusted by the City of Columbus to account for the actual disbursement date.

In case of default in the payment or in case of a breach in any of the terms, conditions and covenants of that certain Loan Agreement, dated _____, 2025, and entered into between the City of Columbus and K Herman Development, LLC, (herein Loan Agreement) or the terms and conditions of the Deeds of Trust given to secure this Note, then upon occurrence of any of the above said events the entire indebtedness shall become due and payable at the option of the legal holder hereof and payment thereof may be enforced forthwith. K Herman Development LLC acknowledges that the dates listed on the Loan Amortization Schedule are estimated dates and that said dates can be and may be unilaterally adjusted by Lender to account for the actual initial disbursement date.

The terms, covenants, conditions, provisions, stipulations and agreements of the said Loan Agreement and said Deeds of Trust are hereby made a part of this Promissory Note to the same extent and with the same effect as if they were fully set forth herein, and the undersigned does hereby covenant and promise to abide by and comply with each and every covenant and condition set forth in this Promissory Note, the accompanying Loan Agreement and the Deeds of Trust given to secure the same.

Dated this _____ day of _____, 2025.

Kelby Herman, as Owner as sole member of and
on behalf of K Herman Development, LLC.

STATE OF NEBRASKA)
) ss.
COUNTY OF PLATTE)

Before me, a notary public qualified for said county, personally came Kelby Herman, as sole member of and on behalf of K Herman Development, LLC, known to me to be the identical person who signed the foregoing Promissory Note and acknowledged the execution thereof to be his/her voluntary act and deed.

DATED this _____ day of _____, 2025.

NOTARY PUBLIC

EXHIBIT B

Loan Amortization Schedule for Project 2

LOAN AMORTIZATION SCHEDULE

ENTER VALUES					LOAN SUMMARY				
Loan amount		\$800,000.00			Scheduled payment		\$0.00		
Annual interest rate		2.00%			Scheduled number of payments		20		
Loan period in years		5			Actual number of payments		20		
Number of payments per year		4			Total early payments		\$0.00		
Start date of loan		10/1/2025			Total interest		\$60,000.00		
Optional extra payments		\$0.00			LENDER NAME		City of Columbus		

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULE D PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	1/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$3,000.00
2	4/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$6,000.00
3	7/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$9,000.00
4	10/1/2026	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$12,000.00
5	1/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$15,000.00
6	4/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$18,000.00
7	7/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$21,000.00
8	10/1/2027	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$24,000.00
9	1/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$27,000.00
10	4/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$30,000.00
11	7/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$33,000.00
12	10/1/2028	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$36,000.00
13	1/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$39,000.00
14	4/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$42,000.00
15	7/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$45,000.00
16	10/1/2029	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$48,000.00
17	1/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$51,000.00
18	4/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$54,000.00
19	7/1/2030	\$800,000.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$800,000.00	\$57,000.00
20	10/1/2030	\$800,000.00	\$603,000.00	\$0.00	\$603,000.00	\$600,000.00	\$3,000.00	\$0.00	\$60,000.00

Sipple, Hansen, Emerson
Schumacher, Klutman &
Valorz LLC
PO Box 1305
Columbus, NE 68602-1305

Return To:
City of Columbus
2500 14th Street
P.O. Box 1677
Columbus, NE 68601

NEBRASKA DEED OF TRUST

THIS DEED OF TRUST, is effective as of the ____ day of _____ 2025, by and between K Herman Development, LLC, (whose mailing address is 4407 West Norfolk Ave., Norfolk, Nebraska, 68701) (hereinafter referred to as "Trustor"); and, Neal J. Valorz of Sipple, Hansen, Emerson, Schumacher, Klutman, & Valorz LLC Attorneys at Law (hereinafter referred to as "Trustee"), whose mailing address is P.O. Box 1305, Columbus, Nebraska 68602; and, The City of Columbus (hereinafter referred to as "Beneficiary"), a municipal corporation of the State of Nebraska, whose mailing address is P.O. Box 1677, Columbus, Nebraska, 68602.

FOR VALUABLE CONSIDERATION, including the indebtedness identified herein and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH THE POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, the real property located in the County of Platte, State of Nebraska, described as follows:

Lots 1, 2, 3 and 4, Block A; Lots 1 and 2, Block B and Lot 2, Block C all in Vitality Village Subdivision of Lots 8-11, Block A, and Lots 1-12, Block B, and Lots 9-13, Block C, and Lots 1 and 2, Block D, Vitality Village Addition to the City of Columbus, Platte County, Nebraska, and any subdivisions or replats thereof

TOGETHER WITH, all rents, profits, royalties, income and other benefits derived from the Property (collectively the "rents"), all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, all right, title and interest of Trustor in and to any greater estate in the Property owned or hereafter acquired, all interest, estate or other claims, both in law and in equity, which

Trustor now has or may hereafter acquire in the Property, all easements, rights-of-way, tenements, hereditaments and appurtenances thereof and thereto, all water rights, all mineral rights, all rights, titles and interests of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street or highway adjoining the Property, and any and all alleys and strips and gores of land adjacent to or used in connection with the Property, any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements (hereinafter the "Improvements"), and all the estate interests, rights, titles, other claims or demands which Trustor now has or may hereafter acquire in the Property, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Trust Estate, including without limitation any awards resulting from a change of grade of streets and awards for severance damages. The entire estate, property and interest hereby conveyed to Trustee may hereafter be referred to as the "Trust Estate".

FOR THE PURPOSE OF SECURING.

A. The Beneficiary is making a loan as herein described in this document to Trustor (Granville Custom Homes, Inc.) under the Beneficiary's Local Economic Development Fund.

B. Payment of an indebtedness in the total principal amount of \$1,200,000.00, with an annual interest rate of two percent (2%) per annum, evidenced by that certain Promissory Note of even date herewith (hereinafter the "Note") with a maturity date as specified in said Note, executed by Trustor, which has been delivered and is payable to the order of Beneficiary, and which by this reference is hereby made a part hereof, and any and all modifications, extensions and renewals thereof, and;

B. Payment of all sums advanced by Beneficiary to protect the Trust Estate, with interest thereon at the rate as specified in said Note. This Deed of Trust, the Promissory Note, Loan Agreement, and any other instrument(s) given to evidence or further secure the payment and performance of any obligation secured hereby may hereafter be referred to collectively as the "Loan Instruments".

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

1. Payment of Obligation. To pay when due the principal, and the interest, on the indebtedness evidenced by the Note, charges, fees, and all other sums as provided in the Loan Instruments.

2. Maintenance and Compliance with Laws. To keep the Trust Estate in good condition and repair; not to remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or regulations) any of the Improvements; to promptly restore in a good and workmanlike manner any Improvement which may be damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Trust Estate or any part thereof or requiring any alterations or improvements; not to commit or permit any waste or deterioration of the Trust Estate, not to commit, suffer or permit any act to be done in or upon the Trust Estate in violation of any law, ordinance or regulation, and to pay and promptly discharge at Trustor's cost and expense all liens, encumbrances and charges levied, imposed or assessed against the Trust Estate or any part thereof.

3. Required Insurance. To at all times provide, maintain and keep in force, fire and extended coverage insurance against loss or damage to the Improvements. Such insurance policies shall contain a standard mortgage clause in favor of the Beneficiary and shall not be canceled or terminated without thirty (30) days prior written notice to Beneficiary. Evidence of such insurance shall be provided by Trustor upon request in an amount not less than the original amount of the Note. After the occurrence of any casualty to the Trust Estate or any part thereof, Trustor shall give prompt written notice thereof to Beneficiary. In the event of any damage or destruction of the Improvements, Beneficiary shall have the option in its sole discretion of applying all or part of the insurance proceeds (i) to any indebtedness secured hereby and in such order as Beneficiary may determine, or (ii) to the restoration of the Improvements or (iii) to Trustor.

4. Taxes and Impositions.

(a) Trustor agrees to pay directly at least ten (10) days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Trust Estate, or become due and which create, may create or appear to create a lien upon the Trust Estate, or any part thereof, (all of which taxes, assessments and other governmental and non-governmental charges of like nature are hereinafter referred to as "Impositions"). Trustor will provide Beneficiary paid receipts of such payments being made upon the occurrence of such payment.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment of the Trust Estate in lieu of or in addition to the Impositions payable by Trustor pursuant to subparagraph (a) hereof, or (ii) a license fee, tax or assessment imposed on Beneficiary or this Trust Deed and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) hereof, and Trustor shall pay and discharge the same as herein provided with respect to the payment of Impositions or, at the option of Beneficiary, all obligations secured hereby together with all accrued interest thereon, shall immediately become due and payable. Anything to the contrary herein notwithstanding, Trustor shall have no obligation to pay any franchise, estate inheritance, income, excess profits or similar tax levied on Beneficiary or on the obligations secured hereby.

5. Actions Affecting Trust Estate. To appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right, including without limitation costs of evidence of title, court costs, appraisals, surveys and attorney's fees.

6. Eminent Domain. Should the Trust Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary. Beneficiary shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Beneficiary shall also be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds awarded to Trustor (hereinafter the "Proceeds") are hereby assigned to Beneficiary and Trustor agrees to execute such further assignments of the Proceeds as Beneficiary or Trustee may require. In the event any portion of the Trust Estate is so taken or damaged, Beneficiary shall have the option, in its sole and absolute discretion, to apply all such Proceeds, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including attorney's fees, incurred by it in connection with such Proceeds, upon any indebtedness secured hereby and in such order as Beneficiary may determine, or to apply all such Proceeds, after such deductions, to the restoration of the Trust Estate upon such conditions as Beneficiary may determine. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7. Appointment of Successor Trustee. Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and Recorded in the County in which the Trust Estate is located and by otherwise complying with the provisions of the applicable law of the State of Nebraska substitute a successor or successors to the Trustee named herein or acting hereunder.

8. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devices, personal representatives, successors and assigns. The term "Beneficiary" shall mean the owner and holder of the Note, whether or not

named as Beneficiary herein.

9. Inspections. Beneficiary, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

10. Beneficiary's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

11. Events of Default. Any of the following events shall be deemed an event of default hereunder:

(a) Default shall be made in the payment of any installment of principal or interest or any other sum secured hereby when due; or

(b) Trustor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Trustor or of all or any part of the Trust Estate, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(c) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Trustor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Trustor or of all or any part of the Trust Estate, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Trustor and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(d) A writ of execution or attachment or any similar process shall be entered against Trustor which shall become a lien on the Trust Estate or any portion thereof, or interest therein and such execution, attachment or similar process of judgment is not released, bonded, satisfied, vacated, or stayed within sixty (60) days after its entry or levy; or

(e) There has occurred a breach of or default under any term, covenant, agreement,

condition, provision, representation, or warranty contained in the Deed of Trust, Promissory Note, or other related Loan Agreement and Documents; or

(f) There has occurred a default under any loan, extension of credit, security agreement, purchase or sales agreement, in favor of any other creditor or person that may materially affect any of Trustor's property or Trustor's ability to repay that indebtedness or Trustor's ability to perform Trustor's obligation under this Deed of Trust or any related document; or

(g) A material adverse change in Trustor's financial conditions, or Beneficiary believes the prospect of payment or performance of the indebtedness is impaired; or

(h) Trustor's default(s) with any junior creditor / junior lien holder; or

(i) Trustor's default(s) with any junior creditor / junior lien holder; or

(j) Trustor's default on Project 2 may be considered as a default on Project 1 (as said projects are set out in the Loan Agreement); or

(k) The Beneficiary in good faith believes itself insecure.

12. Acceleration Upon Default; Additional Remedies. In the event of any event of default Beneficiary may declare all indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter Beneficiary may:

(i) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney's fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(ii) Enact the power of sale and commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(iii) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Trust Estate to be sold, which notice Trustee shall cause to be duly filed for record in the Official Records of the County in which the Trust Estate is located.

13. Foreclosure By Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with

Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse or such time as may then be required by law and after recording of such Notice of Default and after Notice of Sale having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: All sums expended under the terms hereof, not then repaid, with accrued interest as specified in said note; all other sums then secured hereby and the remainder, if any, to the person or persons legally entitled thereto.

(c) Trustee may postpone sale of all or any portion of the Trust Estate by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice, except such as may be required by statute, make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

14. Appointment of Receiver. If an event of default described in Section 12 of this Deed of Trust shall have occurred and be continuing, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Trust Estate of the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor.

15. Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any Loan Instrument or other agreement or any laws now or hereafter in force, notwithstanding some or all of the such indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee

or Beneficiary, its being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgment against the Trustor to the extent such action is permitted by law.

16. Request for Notice. Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

17. Governing Law. This Deed of Trust shall be governed by the laws of the State of Nebraska. In the event that any provision or clause of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

18. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto".

19. Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

20. Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

21. Invalidity of Certain Provisions. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien on this Deed of Trust.

22. Counterparts. This Deed of Trust may be executed in any number of counterparts, including by way of electronically scanned or emailed signatures, each of which shall be an original and which together shall constitute a single document

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

K Herman Development, LLC.

Kelby Herman, as sole member of and
on behalf of K Herman Development, LLC

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public duly commissioned and qualified for said county, personally came Kelby Herman, as sole member of and on behalf of K Herman Development, LLC, to me known to be the identical person whose name is subscribed to the foregoing instrument and acknowledged the execution thereof to be his voluntary act and deed.

Notary Public

*****Remainder of page left intentionally blank*****

Sipple, Hansen, Emerson
Schumacher, Klutman &
Valorz LLC
PO Box 1305
Columbus, NE 68602-1305

Return To:
City of Columbus
2500 14th Street
P.O. Box 1677
Columbus, NE 68601

NEBRASKA DEED OF TRUST

THIS DEED OF TRUST, is effective as of the ____ day of _____ 2025, by and between K Herman Development, LLC, (whose mailing address is 4407 West Norfolk Ave., Norfolk, Nebraska, 68701) (hereinafter referred to as "Trustor"); and, Neal J. Valorz of Sipple, Hansen, Emerson, Schumacher, Klutman, & Valorz LLC Attorneys at Law (hereinafter referred to as "Trustee"), whose mailing address is P.O. Box 1305, Columbus, Nebraska 68602; and, The City of Columbus (hereinafter referred to as "Beneficiary"), a municipal corporation of the State of Nebraska, whose mailing address is P.O. Box 1677, Columbus, Nebraska, 68602.

FOR VALUABLE CONSIDERATION, including the indebtedness identified herein and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH THE POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, the real property located in the County of Platte, State of Nebraska, described as follows:

Five acres south of 45th Avenue in NW1/4, will need exact legal description to be determined by land sale survey,

TOGETHER WITH, all rents, profits, royalties, income and other benefits derived from the Property (collectively the "rents"), all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, all right, title and interest of Trustor in and to any greater estate in the Property owned or hereafter acquired, all interest, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property, all easements, rights-of-way, tenements, hereditaments and appurtenances thereof and thereto, all water rights, all mineral rights, all rights, titles and interests of Trustor, now owned or hereafter acquired, in and to any

land lying within the right-of-way of any street or highway adjoining the Property, and any and all alleys and strips and gores of land adjacent to or used in connection with the Property, any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements (hereinafter the "Improvements"), and all the estate interests, rights, titles, other claims or demands which Trustor now has or may hereafter acquire in the Property, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Trust Estate, including without limitation any awards resulting from a change of grade of streets and awards for severance damages. The entire estate, property and interest hereby conveyed to Trustee may hereafter be referred to as the "Trust Estate".

FOR THE PURPOSE OF SECURING.

A. The Beneficiary is making a loan as herein described in this document to Trustor (Granville Custom Homes, Inc.) under the Beneficiary's Local Economic Development Fund.

B. Payment of an indebtedness in the total principal amount of \$1,200,000.00, with an annual interest rate of two percent (2%) per annum, evidenced by that certain Promissory Note of even date herewith (hereinafter the "Note") with a maturity date as specified in said Note, executed by Trustor, which has been delivered and is payable to the order of Beneficiary, and which by this reference is hereby made a part hereof, and any and all modifications, extensions and renewals thereof, and;

B. Payment of all sums advanced by Beneficiary to protect the Trust Estate, with interest thereon at the rate as specified in said Note. This Deed of Trust, the Promissory Note, Loan Agreement, and any other instrument(s) given to evidence or further secure the payment and performance of any obligation secured hereby may hereafter be referred to collectively as the "Loan Instruments".

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

1. Payment of Obligation. To pay when due the principal, and the interest, on the indebtedness evidenced by the Note, charges, fees, and all other sums as provided in the Loan Instruments.

2. Maintenance and Compliance with Laws. To keep the Trust Estate in good condition and repair; not to remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or regulations) any of the Improvements; to promptly restore in a

good and workmanlike manner any Improvement which may be damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Trust Estate or any part thereof or requiring any alterations or improvements; not to commit or permit any waste or deterioration of the Trust Estate, not to commit, suffer or permit any act to be done in or upon the Trust Estate in violation of any law, ordinance or regulation, and to pay and promptly discharge at Trustor's cost and expense all liens, encumbrances and charges levied, imposed or assessed against the Trust Estate or any part thereof.

3. Required Insurance. To at all times provide, maintain and keep in force, fire and extended coverage insurance against loss or damage to the Improvements. Such insurance policies shall contain a standard mortgage clause in favor of the Beneficiary and shall not be canceled or terminated without thirty (30) days prior written notice to Beneficiary. Evidence of such insurance shall be provided by Trustor upon request in an amount not less than the original amount of the Note. After the occurrence of any casualty to the Trust Estate or any part thereof, Trustor shall give prompt written notice thereof to Beneficiary. In the event of any damage or destruction of the Improvements, Beneficiary shall have the option in its sole discretion of applying all or part of the insurance proceeds (i) to any indebtedness secured hereby and in such order as Beneficiary may determine, or (ii) to the restoration of the Improvements or (iii) to Trustor.

4. Taxes and Impositions.

(a) Trustor agrees to pay directly at least ten (10) days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Trust Estate, or become due and which create, may create or appear to create a lien upon the Trust Estate, or any part thereof, (all of which taxes, assessments and other governmental and non-governmental charges of like nature are hereinafter referred to as "Impositions"). Trustor will provide Beneficiary paid receipts of such payments being made upon the occurrence of such payment.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment of the Trust Estate in lieu of or in addition to the Impositions payable by Trustor pursuant to subparagraph (a) hereof, or (ii) a license fee, tax or assessment imposed on Beneficiary or this Trust Deed and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) hereof, and Trustor shall pay and discharge the same as herein provided with respect to the payment of Impositions or, at the option of Beneficiary, all obligations secured hereby together with all accrued interest thereon, shall immediately become due and payable. Anything to the contrary herein notwithstanding, Trustor shall have no obligation to pay any franchise, estate inheritance, income, excess profits or similar tax levied on Beneficiary or on the obligations secured hereby.

5. Actions Affecting Trust Estate. To appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to

pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right, including without limitation costs of evidence of title, court costs, appraisals, surveys and attorney's fees.

6. Eminent Domain. Should the Trust Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary. Beneficiary shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Beneficiary shall also be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds awarded to Trustor (hereinafter the "Proceeds") are hereby assigned to Beneficiary and Trustor agrees to execute such further assignments of the Proceeds as Beneficiary or Trustee may require. In the event any portion of the Trust Estate is so taken or damaged, Beneficiary shall have the option, in its sole and absolute discretion, to apply all such Proceeds, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including attorney's fees, incurred by it in connection with such Proceeds, upon any indebtedness secured hereby and in such order as Beneficiary may determine, or to apply all such Proceeds, after such deductions, to the restoration of the Trust Estate upon such conditions as Beneficiary may determine. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7. Appointment of Successor Trustee. Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and Recorded in the County in which the Trust Estate is located and by otherwise complying with the provisions of the applicable law of the State of Nebraska substitute a successor or successors to the Trustee named herein or acting hereunder.

8. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, personal representatives, successors and assigns. The term "Beneficiary" shall mean the owner and holder of the Note, whether or not named as Beneficiary herein.

9. Inspections. Beneficiary, or its agents, representatives or workmen, are authorized to

enter at any reasonable time upon or in any part of the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

10. Beneficiary's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

11. Events of Default. Any of the following events shall be deemed an event of default hereunder:

(a) Default shall be made in the payment of any installment of principal or interest or any other sum secured hereby when due; or

(b) Trustor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Trustor or of all or any part of the Trust Estate, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(c) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Trustor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Trustor or of all or any part of the Trust Estate, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Trustor and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(d) A writ of execution or attachment or any similar process shall be entered against Trustor which shall become a lien on the Trust Estate or any portion thereof, or interest therein and such execution, attachment or similar process of judgment is not released, bonded, satisfied, vacated, or stayed within sixty (60) days after its entry or levy; or

(e) There has occurred a breach of or default under any term, covenant, agreement, condition, provision, representation, or warranty contained in the Deed of Trust, Promissory Note, or other related Loan Agreement and Documents; or

(f) There has occurred a default under any loan, extension of credit, security agreement,

purchase or sales agreement, in favor of any other creditor or person that may materially affect any of Trustor's property or Trustor's ability to repay that indebtedness or Trustor's ability to perform Trustor's obligation under this Deed of Trust or any related document; or

(g) A material adverse change in Trustor's financial conditions, or Beneficiary believes the prospect of payment or performance of the indebtedness is impaired; or

(h) Trustor's default(s) with any junior creditor / junior lien holder; or

(i) Trustor's default(s) with any junior creditor / junior lien holder; or

(j) Trustor's default on Project 1 may be considered as a default on Project 2 (as said projects are set out in the Loan Agreement); or

(k) The Beneficiary in good faith believes itself insecure.

12. Acceleration Upon Default; Additional Remedies. In the event of any event of default Beneficiary may declare all indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter Beneficiary may:

(i) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney's fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(ii) Enact the power of sale and commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(iii) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Trust Estate to be sold, which notice Trustee shall cause to be duly filed for record in the Official Records of the County in which the Trust Estate is located.

13. Foreclosure By Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded,

published and delivered to Trustor such Notice of Default as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse or such time as may then be required by law and after recording of such Notice of Default and after Notice of Sale having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: All sums expended under the terms hereof, not then repaid, with accrued interest as specified in said note; all other sums then secured hereby and the remainder, if any, to the person or persons legally entitled thereto.

(c) Trustee may postpone sale of all or any portion of the Trust Estate by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice, except such as may be required by statute, make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

14. Appointment of Receiver. If an event of default described in Section 12 of this Deed of Trust shall have occurred and be continuing, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Trust Estate of the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor.

15. Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any Loan Instrument or other agreement or any laws now or hereafter in force, notwithstanding some or all of the such indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, its being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion

determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgment against the Trustor to the extent such action is permitted by law.

16. Request for Notice. Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

17. Governing Law. This Deed of Trust shall be governed by the laws of the State of Nebraska. In the event that any provision or clause of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

18. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto".

19. Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

20. Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

21. Invalidity of Certain Provisions. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of

the Trust Estate, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien on this Deed of Trust.

22. Counterparts. This Deed of Trust may be executed in any number of counterparts, including by way of electronically scanned or emailed signatures, each of which shall be an original and which together shall constitute a single document

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

K Herman Development, LLC.

Kelby Herman, as sole member of and
on behalf of K Herman Development, LLC

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2025, before me, the undersigned, a Notary Public duly commissioned and qualified for said county, personally came Kelby Herman, as sole member of and on behalf of K Herman Development, LLC, to me known to be the identical person whose name is subscribed to the foregoing instrument and acknowledged the execution thereof to be his voluntary act and deed.

Notary Public

*****Remainder of page left intentionally blank*****