

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
LOAN AGREEMENT**

THIS LOAN AGREEMENT ("Agreement") is made and entered into this 4th day of October 2018 by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (hereinafter referred to as "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **CARDINAL VALLEY COMMUNITY, LLC**, a Kentucky limited liability company, whose principal address is 1890 Star Shoot Parkway, Suite 170-222, Lexington, Kentucky 40509 (hereinafter referred to as the "Borrower").

WITNESSETH:

WHEREAS, pursuant to Chapter 2, Article XXXXV, Section 2-482 of the Lexington-Fayette Urban County Code of Ordinances ("the Code"), the Affordable Housing Fund ("the Fund") was created to preserve, produce, and provide safe, quality, and affordable housing; and

WHEREAS, pursuant to Chapter 2, Article XXXXV, Section 2-479 of the Code, the Affordable Housing Governing Board oversees and manages the administration of the Fund; and

WHEREAS, Borrower by application dated August 13, 2018 (hereinafter referred to as the "Application"), attached hereto and incorporated herein as Exhibit A, has applied for and has received approval for funds to assume a previously approved Affordable Housing related project described below (hereinafter referred to as the "Eligible Activity"); and

WHEREAS, in order to assist Borrower in the funding of the Eligible Activity, LFUCG is willing to allow funds to remain in use under the terms and conditions of this Agreement; and

WHEREAS, on August 23, 2018, LFUCG issued to Borrower a Commitment Letter under LFUCG's Affordable Housing Fund Program (hereinafter referred to as the "Program") which was accepted by Borrower ("Commitment Letter"), attached hereto as Exhibit B and the terms and conditions of which are incorporated herein; and

WHEREAS, the project for which Borrower has been approved includes rehabilitation activities.

NOW, THEREFORE, the parties do hereby agree as follows:

Article 1 - Commitment

1.1 LFUCG'S COMMITMENT. Pursuant to the Application, the Commitment Letter and this Agreement, LFUCG will allow an amount not to exceed **FOUR HUNDRED ELEVEN THOUSAND SEVEN HUNDRED FORTY-EIGHT AND 85/100 DOLLARS (\$411,748.85)** ("Loan") be used to complete the Eligible Activity. The Loan will be a 15-year deferred forgivable loan, which shall accrue interest at the rate of zero percent (0%) per annum. The Loan will be evidenced by one or more promissory notes ("Notes") in form and substance satisfactory to LFUCG payable to LFUCG and signed by Borrower. Principal and interest (if any) of the Loan shall be amortized in equal, consecutive installments of principal and accrued but unpaid interest, commencing as set forth in the Notes and continuing until principal and interest have been paid in full. All unpaid principal and accrued interest shall be due January 1, 2034 ("Maturity Date"). In the event of any inconsistency between the Application, the Commitment Letter and this

Agreement, this Agreement will control. The Loan has been expended and will remain as use towards the completion and rehabilitation of the Property and/or Project (defined below) described in the mortgage(s) executed pursuant to Section 1.2 below and in conformity with the other provisions of this Agreement, the Commitment and the Application.

1.2 MORTGAGE; OTHER SECURITY. The performance of the Borrower's obligations under this Agreement shall be secured by a mortgage lien, or mortgage liens, in favor of LFUCG in the total principal amount of the Loan in form and substance satisfactory to LFUCG. In the sole discretion of LFUCG, the performance of Borrower's obligations under this Agreement may also be secured by an Assignment of Leases and Rents, Security Agreement, UCC-1 Financing Statement, Fixture Filing, and such other documents as LFUCG may in its sole discretion require (collectively, the mortgage(s) and the other security documents described in this subsection are referred to as the "Security Documents", as attached hereto as Exhibit C, the terms and conditions of which are incorporated herein).

1.3 ELIGIBLE ACTIVITY. The Loan has been made available based upon the information provided by Borrower in the Application. The sole purpose of this allocation is to purchase, complete, and rehabilitate 112 units located at 1261 Village Drive and 2062 Cambridge Drive, Lexington, Kentucky ("Project" or "Property").

1.4 SITES. In the event the Project includes new construction activities, Borrower must identify specific units (the "Units") to be assisted. Once identified, Units may not be changed, removed or substituted without prior written approval of LFUCG.

ARTICLE 2 - REPRESENTATIONS AND WARRANTIES OF BORROWER

2.1 Borrower represents and warrants that:

(a) The Property will be free and clear of all encumbrances, except for the valid First Mortgage, with Citizens Commerce Bank ("First Mortgage Lender"), in the amount of **THREE MILLION ONE HUNDRED THIRTY-FIVE THOUSAND THREE AND 00/XX DOLLARS (\$3,135,003.00)** and shall be recorded except easements, restrictions, stipulations and rights-of-way of record, applicable zoning rules and regulations and taxes which may be due and payable or which have been assessed and become a lien against the property whether or not yet due and payable;

(b) All funds disbursed hereunder will be used only for acquisition or development expenses, as applicable, of the Property, as approved by LFUCG, and said funds will not be used in any other manner or for any other purpose; and

(c) The acquisition or construction work has been approved by the appropriate local, regional and state agencies, including those concerned with planning and zoning, public works and health.

2.2 Borrower understands and acknowledges that projects assisted with LFUCG Funds must, at a minimum, meet the requirements set out in this Agreement. Borrower will supply, at LFUCG's request, all necessary documentation to substantiate compliance with this paragraph.

2.3 Borrower represents and warrants that, at the time any advances are made by LFUCG as provided herein, the Property will contain no substance known to be hazardous such

as hazardous waste, lead-based paint (in violation of Federal or State law), asbestos, methane gas, urea formaldehyde, insulation, oil, toxic substances, polychlorinated biphenyls (PCBs) or radon, and Borrower shall take all action necessary to insure that the Property contains no such substances. Further, the Property will not be affected by the presence of oil, toxic substances or other pollutants that could be a detriment to the Property, nor is Borrower or the Property in violation of any local, state or federal environmental law or regulation and no violation of the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Toxic Substance Control Act, Safe Drinking Water Control Act, Comprehensive Environmental Resource Compensation and Liability Act or Occupational Safety and Health Act has occurred or is continuing. Borrower will take all actions within its control necessary to insure that no such violation occurs. Borrower will immediately deliver to LFUCG any notice it may receive about the existence of any of the foregoing hazardous conditions on the Property or about a violation of any such local, state or federal law or regulation with respect to the Property.

2.4 Borrower is duly organized and validly existing and in good standing under the laws of the Commonwealth of Kentucky; has the power and authority, corporate or otherwise, to own its properties and carry on its business as being conducted; and is duly qualified to do business wherever qualification is required. Borrower has been organized pursuant to state law for the primary purpose of providing housing to persons and families of lower and moderate income. Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering the performance of its duties under this Agreement, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any cease or desist order.

2.5 Plans and specifications for the Project are satisfactory to Borrower and, to the extent required by applicable law, have been approved by all governmental agencies and authorities having jurisdiction thereof, and the use of the Project site(s) contemplated hereby will comply with all local zoning requirements.

2.6 There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting it or the Project or involving the validity or enforceability of any mortgage or the priority of the mortgage lien granted by or to Borrower, at law or in equity, on or before or by any governmental authority or any other matters which would substantially impair the ability of Borrower to pay when due any amounts which may become payable in respect to the Note, and to the Borrower's knowledge, it is not in default with respect to any order, writ, judgment, injunction, decree or demand of any court of any governmental authority.

2.7 The consummation of the transaction contemplated hereby and the performance of this Agreement and any Mortgage, if so required, will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or other loan, credit agreement, corporate charter, bylaw or any other instrument to which the Borrower is a party or by which it may be bound or affected.

ARTICLE 3 – REQUIREMENTS FOR DISBURSEMENT

3.1 **DISBURSEMENT OF AFFORDABLE HOUSING FUNDS.** The Loan will be disbursed to Borrower upon receipt by LFUCG of the following:

- (a) an executed original of the Authorized Signature form; and
- (b) evidence that the Project will remain affordable as provided below;
- (c) an executed LFUCG Construction Start-Up Form;
- (d) proof of costs in adherence to LFUCG's requirements for draws and inspections for the Program activity under this Agreement (construction draws);
- (e) execution of the Note, recordation of a valid mortgage lien against the Property securing repayment of the Loan and execution of any and all other Security Documents which may be required by LFUCG.

LFUCG will not be required to advance any amount hereunder if an Event of Default (hereinafter defined) has occurred and is continuing.

3.2 DISBURSEMENT OF DEVELOPER FEE. If a Developer fee is paid with the Loan proceeds, it will be disbursed on a pro-rata share equal to the percent of the Project completion, with the exception of the initial draw as follows:

- (a) up to 40% of the Project's developer fee may be disbursed at the initial draw; and
- (b) the remaining 60% may be drawn based upon the percentage of construction completion.

Developer fee shall be used to cover all funding shortfalls before additional funds can be requested. LFUCG will continue to hold the ten percent (10%) retainage until all project completion and closeout documents are received.

3.3 AFFORDABILITY PERIOD. The Property must remain affordable to persons at or below eighty percent (80%) of the area median income pursuant to the guidelines of the United States Department of Housing and Urban Development (HUD) for a minimum of fifteen (15) years from January 1, 2019. Affordability must be ensured by recorded deed restrictions for all properties receiving Affordable Housing Funds.

3.4 SECTION 8 RENTAL ASSISTANCE. If Loan proceeds are used to construct rental property, Borrower will not refuse to lease any Unit assisted with Affordable Housing Funds to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, as amended, solely because of the status of the prospective tenant as a holder of a certificate or voucher. Provided, however, if the rent required for the Unit is based upon a percentage of the prospective tenant's income through project design, or the assisted housing unit(s) utilize project-based rental housing assistance through another source, this section will not apply. This section does not apply to homeowner-occupied units of housing assisted with Affordable Housing Funds.

3.5 INSURANCE. For all properties assisted with Affordable Housing Funds, the Borrower or Property Owner must maintain all risk, fire and extended coverage, in form and with companies acceptable to LFUCG, for each Unit of the Project and any improvements to be constructed thereon in an amount of not less than the Affordable Housing Funds made available to Borrower for each Unit of the Project. Each policy must include appropriate loss payable clauses in favor of LFUCG or Borrower, as applicable, as beneficiary and without right of cancellation or change except upon thirty (30) days' written notice to LFUCG. Borrower will

deliver proof of all insurance to LFUCG upon request.

3.6 REPAYMENT. In the event that repayment of the Affordable Housing Funds is required, Borrower agrees to repay funds to the Fund through LFUCG on a timely basis.

3.7 LEGAL MATTERS. All legal matters incident to the contemplated transaction will be concluded to the satisfaction of LFUCG's Department of Law.

3.8 PROOF OF CORPORATE ACTION. Prior to execution of this Agreement, LFUCG shall have received (i) copies of Borrower's organizational documents; (ii) confirmation from the Secretary of State of Borrower's organizational jurisdiction that Borrower is a validly existing entity in good standing, and (iii) a resolution from the Borrower's Board of Directors, member, manager or general partner, as appropriate, authorizing the execution of the legal documents evidencing the funding received under this Agreement. If Borrower is a foreign entity, it shall, in addition to jurisdictional organizational documents provide evidence of its authority to conduct business in the Commonwealth of Kentucky.

ARTICLE 4 - CONSTRUCTION LOAN TERMS

4.1 PLANS AND SPECIFICATIONS. Borrower will develop the Property in accordance with plans and specifications which have been approved by LFUCG, or by any other agency approved by LFUCG, which plans and specifications, upon such approval, will be incorporated herein by reference. Said plans and specifications will include and specifically identify all roads, sewer lines and water lines and will provide for the development of the Property in conformance with applicable Affordable Housing Program requirements. Said plans and specifications may be subject to minor changes as required to comply with state and local building codes and to conform to the Property, provided such changes are approved by LFUCG. In addition to said plans and specifications, Borrower will prepare or cause to be prepared from time to time such additional plans and drawings, including working drawings, shop drawings and supplemental specifications, as may be necessary or desirable to facilitate expeditious construction of the improvements in accordance with the approved plans and specifications and will cause copies of all such additional items to be delivered to LFUCG. All of said plans and specifications and any such additional items so approved are hereinafter collectively referred to as the "Plans and Specifications." Borrower will not deviate nor permit any such deviation from the Plans and Specifications without the prior written consent of LFUCG.

4.2 NO LIENS. Borrower will cause all work to be performed, including all labor, materials, supervision, supplies, equipment, architectural, and engineering services necessary to complete the improvements, in accordance with the Plans and Specifications. The Borrower will complete the improvements free from all materialmen's liens and all mechanic's liens and claims. All contracts with subcontractors and materialmen will contain, upon the request of LFUCG, a provision for not less than ten percent (10%) retainage to ensure adequate and complete performance in connection with interim or progress payments hereunder. Advances of the Affordable Housing Funds by LFUCG will not be made until a representative of LFUCG has inspected the improvements, certified their completion and received from the general contractor and all subcontractors affidavits, in form and substance satisfactory to LFUCG, stating that payment will constitute payment in full of all amounts due and owing to them and their suppliers.

4.3 DEADLINE ON PROPERTY DEVELOPMENT. Borrower will begin development of the Property within 30 days after an advance is made hereunder for the Property and will cause all development work to be pursued with diligence and without delay. Borrower will cause the improvements to be constructed in a good and workmanlike manner in substantial compliance with the Plans and Specifications and in all respects in full compliance with all laws, rules, permits, requirements and regulations of any governmental agency or authorities having jurisdiction over the Property.

4.4 USE OF FUNDS. Borrower will cause all Affordable Housing Funds borrowed or advanced pursuant hereto to be applied entirely and exclusively for the acquisition or development, as applicable, of the Property and payment of labor and materials in the completion of development work in substantial compliance with the Plans and Specifications and for the payment of such other costs incidental thereto as may be specifically approved in writing by LFUCG.

4.5 RIGHT OF INSPECTION. Borrower will permit access by LFUCG to the books and records of Borrower and to the Property and all improvements at reasonable times. In the event LFUCG determines that any work or materials are not substantially in conformance with the Plans and Specifications, or are not in conformance with any applicable laws, regulations, permits, requirements or rules of any governmental authority having or exercising jurisdiction thereover or are not otherwise in conformity with sound building practices, LFUCG may stop the work and order replacement or correction of any such work or materials. Such inspection will not be construed as a representation or warranty by LFUCG to any third party that the improvements are, or will be, free of faulty materials or workmanship.

4.6 UNDERTAKING. If required by LFUCG prior to disbursement of Affordable Housing Funds hereunder and thereafter as LFUCG may require, Borrower will deliver to LFUCG (a) an agreement between Borrower and the architect who has prepared the Plans and Specifications whereby such architect agrees that the agreement is assignable to LFUCG upon the same terms and conditions as exist in said agreement; (b) an agreement between Borrower and Borrower's contractor whereby Borrower's contractor agrees that the agreement is assignable to LFUCG upon the same terms and conditions as exist in said agreement; (c) copies of all subcontracts and material purchase orders between Borrower's contractor and any persons, firms, or corporations with whom it has contracted to provide labor, materials or services with respect to the construction of the improvements, where any such contract exceeds a minimum price of Five Thousand Dollars (\$5,000.00); and (d) if requested in writing by LFUCG, a list of all persons, firms and corporations who have provided or proposed to provide labor, materials or services in connection with construction of the improvements.

4.7 NONLIABILITY OF LFUCG. This Agreement will not be construed to make LFUCG liable to materialmen, contractors, craftsmen, laborers or others for goods and services delivered by them to or upon the Property or for debts or claims accruing to said parties against the Borrower. There are no contractual relationships, either express or implied, between LFUCG and any materialman, contractors, craftsmen, laborers or any other persons supplying work, labor or materials on the job, nor will any third person or persons, individual or corporate, be deemed to be beneficiaries of this Agreement or any term, condition or provisions hereof or on account of any actions taken or omitted by LFUCG pursuant hereto.

ARTICLE 5 – BREACH OR DEFAULT

5.1 RECAPTURE OF FUNDS; BREACH OF AGREEMENT. In the event of a breach, LFUCG may suspend Borrower's authority to draw Affordable Housing Funds at any time by giving notice to Borrower. LFUCG has the right, in its sole discretion, to terminate disbursement of funds and/or recapture any remaining portion of Affordable Housing Funds and/or require repayment of Affordable Housing Funds already disbursed or the amount including and up to an amount which has not been forgiven upon the occurrence of one or more of the following events (“Breach”):

(a) Borrower does not diligently pursue the activity detailed in Borrower’s Application and for which Affordable Housing Funds have been awarded;

(b) Borrower violates any of the terms of this Agreement, the Affordable Housing Program statutes, the Note evidencing the Affordable Housing Funds under this Agreement or any other Security Document entered into pursuant to this Agreement;

(c) Borrower does not submit reports or submits inadequate reports pursuant to Article 6 below;

(d) Borrower defaults under any of the terms of this Agreement or any other document executed in conjunction with funding under this Agreement, and such default is not cured within any applicable cure period;

(e) Borrower is unable to draw all Affordable Housing Funds, as set forth in the closing documents, in no instance later than twenty-four (24) months from the date of this Agreement;

(f) Borrower is unable to document its participation in the project throughout the compliance period as required of nonprofit material participation per IRC Section 42;

(g) the information submitted to LFUCG by Borrower, upon which LFUCG relied in its decision to allocate funds to Borrower, proves to be untrue or incorrect in any material respect; or

(h) LFUCG determines in its sole discretion that it would be inadvisable to disburse Affordable Housing Funds to Borrower because of a material and adverse change in Borrower’s condition.

5.2 EVENTS OF DEFAULT. Occurrence of one or more of the following events will, in the sole discretion of LFUCG, constitute an event of default:

(a) Any installment of principal or interest required by the Promissory Note remains unpaid for more than ten (10) days after the due date thereof;

(b) Any representation or warranty made herein, or in any certificate, report or statement furnished to LFUCG in connection the Affordable Housing Funds or the Note proves to have been untrue or misleading in any material respect when made;

(c) Failure of Borrower to perform any of the provisions of the Note, this Agreement or any other document executed in connection with this Agreement;

(d) Borrowers violation of the affordability requirements, whether evidenced by recorded Deed Restriction or owner certification of continued compliance;

(e) The entry of any lien or encumbrance against the Project site(s), (other than liens or encumbrances evidencing loan proceeds from the Senior Lender and/or LFUCG), except for ad valorem taxes which are not yet due and payable and liens incurred in the ordinary course of business with respect to amounts which are not yet due and payable without penalty or interest;

(f) Borrower fails to prosecute Project site development work with diligence so that construction thereof will be completed in a timely manner;

(g) Any party obtains or seeks an order or decree in any court of competent jurisdiction seeking to enjoin the construction of the improvements or to delay construction of the same or to enjoin or prohibit Borrower or LFUCG from carrying out the terms and conditions hereof, and such proceedings are not discontinued or such decree is not vacated within thirty (30) days after LFUCG has given Borrower notice under the provisions hereof;

(h) Borrower discontinues the construction/rehabilitation work and abandonment continues for a period of ten (10) days;

(i) Borrower permits cancellation or termination of any insurance policy required under this Agreement or fails, if required, to obtain any renewal or replacement thereof satisfactory to LFUCG;

(j) Borrower (A) becomes bankrupt, or ceases, becomes unable, or admits in writing its inability to pay its debts as they mature, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, creditors; (B) applies for, or consents (by admission of material allegations of a petition or otherwise) to the appointment of a trustee, receiver or liquidator of the Borrower or of a substantial portion of its assets, or authorizes such application or consent, or proceedings seeking such appointment are commenced without such authorization, consent or application against it and continue un-dismissed and unstayed for a period of fifteen (15) days; (C) authorizes or files a voluntary petition in bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction; or authorizes such application or consent; or proceedings to such end are instituted against the Borrower without such authorization, application or consent and are approved as properly instituted, remain undismissed for fifteen (15) days, or result in adjudication of bankruptcy or insolvency; or

(k) Borrower is found to have violated any law or regulation, whether federal or state.

5.3 CURE OF BREACH OR DEFAULT; PENALTIES. If any breach or default is not cured within thirty (30) days from the date LFUCG notifies Borrower and Borrower's limited partner of the breach or default in writing, LFUCG may continue suspension of disbursements. However, any limited partner of the Borrower shall have the right, but not the obligation, to cure any default on the same terms and conditions as Borrower, and such cure shall be accepted or rejected by LFUCG, as if such cure was made by Borrower. Additionally, LFUCG may declare the loan and/or grant immediately due and payable and may institute proceedings for its collection. LFUCG may terminate this Agreement by giving written notice to Borrower. In the event of a termination, Borrower's authority to draw Affordable Housing Funds will terminate as of the date of the notice of termination and Borrower will have no right, title or interest in or to any remaining Affordable Housing Funds.

5.4 MISAPPROPRIATION OF FUNDS. Borrower will be liable for any and all misappropriation of Affordable Housing Funds, audit exceptions by state or federal agencies, and violations of the terms of this Agreement. LFUCG also has the right to require Borrower to repay to LFUCG a portion of or all Affordable Housing Funds drawn by Borrower in cases of breach involving misappropriation of funds or fraudulent uses of funds.

5.5 RIGHTS UPON DEFAULT. If one or more of the events of default described above occur, LFUCG may declare Borrower to be in default under this Agreement by giving not less than ten (10) days prior written notice (or other notice required by applicable default provisions in other LFUCG loan documents) to Borrower, except for a default in payment, in which case no notice is required, and thereafter, LFUCG may exercise any one or more of the following remedies:

(a) Terminate the credit hereby extended, declare the entire unpaid balance and all accrued but unpaid interest under the Note due and payable and institute proceedings for collection thereof. Provided, however, LFUCG may make advances under the occurrence of an event of default without waiving any of its rights hereunder;

(b) Exercise its rights under the Note or any other Security Document;

(c) Enter upon the Project site(s), expel and eject Borrower and all persons claiming through or under Borrower and collect the rents and profits therefrom;

(d) Complete the Project site development work at the cost and expense of Borrower and add such cost to the debt evidenced by the loan and/or grant and this Agreement and secured by the Security Documents;

(e) Have discharged of record any mechanic's and materialmen's lien or other lien against the Project site(s);

(f) Institute such legal proceedings or other proceedings in the name of Borrower or LFUCG as LFUCG may deem appropriate for the purpose of protecting the Project site(s) and LFUCG's interests therein; or

(g) Do and perform all acts and deeds in the name of Borrower or LFUCG as LFUCG deems necessary or desirable to protect the Project site(s) and LFUCG's interests therein.

(h) All of the rights and remedies of LFUCG under this Agreement shall be cumulative and to the fullest extent permitted by law and shall be in addition to all those rights and remedies afforded LFUCG at law or in equity or in bankruptcy.

5.6 PAYMENTS DUE TO DEFAULT. Borrower shall to reimburse and fully compensate LFUCG upon demand for all loss, damage and expense, including without limitation reasonable attorney's fees and court costs, together with interest on the amount thereof from the date the same accrues at the rate of twelve percent (12%) per annum, incurred by LFUCG (a) by reason of any default or defaults hereunder or under this Agreement, the Note, or the Security Documents or any other loan document executed by Borrower, (b) by reason of the neglect by Borrower of any duty or undertaking hereunder or under the Security Documents and (c) in the exercise of any right or remedy hereunder or under the Security Documents.

ARTICLE 6 – RECORDS; REPORTING

6.1 RECORDS; ACCESS. Borrower agrees to keep adequate records pertaining to the Project and the uses of Affordable Housing Funds. Borrower agrees to provide LFUCG or its designee access to all of its books and records, including fiscal records, for the purpose of program assessment reviews, and to retain all books and records until the later of three (3) years from the termination of this Agreement, or until all audits of performance during the term of this Agreement have been completed, or until any pending litigation involving this grant or related books and records is settled. Borrower agrees to maintain its books and records in accordance with generally accepted accounting principles. Nothing in this Agreement will be construed to limit the ability of LFUCG to monitor implementation of the project funded by this Agreement.

6.2 REPORTING REQUIREMENTS. In the event project activity reports are required, reports must be submitted as requested by LFUCG, on the forms provided by LFUCG, beginning the first calendar quarter after Borrower receives a disbursement of Affordable Housing Funds.

6.3 ANNUAL FINANCIAL REPORTING. Borrower agrees to provide LFUCG or its designee audited financials and/or Financial Compilation Reports on an annual basis during the term of this Agreement.

6.4 WARRANTY AS TO INFORMATION. Borrower acknowledges that its award of Affordable Housing Funds has been based upon information received from Borrower. Borrower warrants that the financial and other information furnished by Borrower to LFUCG was, at the time of application, and continues to be, true and accurate.

6.5 PROGRAM COMPLIANCE. Borrower agrees to comply with the LFUCG Affordable Housing Program guidelines and criteria relating to the Fund.

ARTICLE 7 - MISCELLANEOUS

7.1 NOTICES. Any notice required or permitted to be given pursuant to this Agreement will be deemed to have been duly given when properly addressed and hand-delivered, or mailed by registered or certified mail with postage prepaid, to Borrower, Senior Lender, or LFUCG, as the case may be, at the following addresses or to such other place as any of the parties may for themselves designate in writing from time to time for the purpose of receiving notices pursuant hereto:

Borrower: Cardinal Valley Community, LLC
1890 Star Shoot Parkway, Suite 170-222
Lexington, Kentucky 40507
ATTN: Greg Bourland, Member

LFUCG: Lexington-Fayette Urban County Government
101 East Vine Street, Suite 400
Lexington, Kentucky 40507
ATTN: Richard McQuady, Affordable Housing Manager

7.2 COSTS TO BE PAID BY BORROWER. All items which Borrower agrees to furnish under this Agreement will be furnished at Borrower's sole cost and expense.

7.3 NON-DISCRIMINATION AND FAIR HOUSING RULES. The Project and all contractors and major subcontractors engaged in connection therewith shall comply with all fair housing and non-discrimination statutes and regulations as they are amended from time to time, which include but are not limited to the following, each of which is hereby incorporated by reference into this Agreement:

Fair Housing Act (Title VIII of the Civil Rights Act of 1968);
24 CFR § 5.105, which prohibits discrimination on the basis of actual or perceived sexual orientation or gender identity, and marital status
Title VI of the Civil Rights Act of 1964;
Section 504 of the Rehabilitation Act of 1973;
Section 109 of Title I of the Housing and Community Development Act of 1974;
Title II of the Americans with Disabilities Act of 1990;
Architectural Barriers Act of 1968;
Age Discrimination Act of 1975;
Title IX of the Education Amendments Act of 1972; and
Presidential Executive Orders 11063, 11246, 12892, 12898, 13166, 13217.
Nondiscrimination and Equal Opportunity requirements [24 CFR §5.105(a)]
Chapter 2, Article 2, §§2-26 – 2-46 of the Code

7.4 SUSPENSION AND DEBARMENT. Borrower certifies by submission of its application and execution of this Agreement that to the best of its knowledge and belief after reasonable investigation, that it and/or its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any transaction under this Agreement by any federal department or agency, or under LFUCG's Suspension and Debarment Policy. Borrower further agrees that any future principal will meet the requirements of this section.

7.5 INDEMNIFICATION. Borrower shall indemnify, defend and hold LFUCG harmless from and against any and all liabilities, claims, demands, losses, damages, costs and expenses (including without limitation, reasonable attorney's fees and litigation expenses), actions or causes of actions, arising out of or relating to any breach of any covenant or agreement or the incorrectness or inaccuracy of any representation and warranty of Borrower contained in this Agreement or in any document delivered to LFUCG or by Borrower, or any other person on behalf of Borrower pursuant to the terms of this Agreement, except for that which occurs as a result of LFUCG's gross negligence or willful misconduct.

7.6 GOVERNING LAW. This Agreement and the loan referred to herein will be governed by the laws of the Commonwealth of Kentucky.

7.7 ASSIGNABILITY. Borrower may not assign this Agreement nor any part hereof without the prior written consent of LFUCG. Subject to the foregoing restriction, this Agreement will inure to the benefit of LFUCG, its successors and assigns and will bind Borrower, Borrower's successors, assigns and representatives.

7.8 MODIFICATION. No variance or modification of this Agreement will be valid and

RENT ROLL ASSUMPTIONS

2 Bedroom	\$750
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UNIT BREAKDOWN

Current	64
Vacant	44
Employee	1

Unit #	Type of Tenant	Status	Deposit	Type	Year 1	Year 2	Year 3
					Rent	Rent	Rent
1	Normal	Vacant	\$0	2B	\$0	\$750	\$765
2	Normal	Current	\$250	2B	\$675	\$695	\$709
3	Normal	Current	\$250	2B	\$490	\$510	\$520
4	Normal	Vacant	\$0	2B	\$0	\$750	\$765
5	Normal	Vacant	\$0	2B	\$0	\$750	\$765
6	Normal	Vacant	\$0	2B	\$0	\$750	\$765
7	Normal	Current	\$250	2B	\$490	\$510	\$520
8	Normal	Current	\$250	2B	\$490	\$510	\$520
9	Normal	Current	\$250	2B	\$490	\$510	\$520
10	Normal	Current	\$200	2B	\$620	\$640	\$653
11	Normal	Current	\$250	2B	\$675	\$695	\$709
12	Normal	Current	\$250	2B	\$490	\$510	\$520
13	Normal	Vacant	\$0	2B	\$0	\$750	\$765
14	Normal	Vacant	\$0	2B	\$0	\$750	\$765
15	Normal	Vacant	\$0	2B	\$0	\$750	\$765
16	Normal	Vacant	\$0	2B	\$0	\$750	\$765
17	Normal	Vacant	\$0	2B	\$0	\$750	\$765
18	Normal	Vacant	\$0	2B	\$0	\$750	\$765
19	Normal	Vacant	\$0	2B	\$0	\$750	\$765
20	Normal	Vacant	\$0	2B	\$0	\$750	\$765
21	Normal	Current	\$0	2B	\$675	\$695	\$709
22	Normal	Vacant	\$0	2B	\$0	\$750	\$765
23	Normal	Current	\$250	2B	\$490	\$510	\$520
24	Normal	Current	\$250	2B	\$490	\$510	\$520
25	Normal	Current	\$250	2B	\$675	\$695	\$709
26	Normal	Current	\$250	2B	\$490	\$510	\$520
27	Normal	Vacant	\$0	2B	\$0	\$750	\$765
28	Normal	Employee	\$0	2B	\$0	\$0	\$0

29	Normal	Vacant	\$0	2B	\$0	\$750	\$765
30	Normal	Vacant	\$0	2B	\$0	\$750	\$765
31	Normal	Current	\$250	2B	\$550	\$570	\$581
32	Normal	Current	\$250	2B	\$510	\$530	\$541
33	Normal	Current	\$400	2B	\$490	\$510	\$520
34	Normal	Vacant	\$0	2B	\$0	\$750	\$765
35	Normal	Vacant	\$0	2B	\$0	\$750	\$765
36	Normal	Vacant	\$0	2B	\$0	\$750	\$765
37	Normal	Vacant	\$0	2B	\$0	\$750	\$765
38	Normal	Current	\$0	2B	\$640	\$660	\$673
39	Normal	Current	\$200	2B	\$490	\$510	\$520
40	Normal	Current	\$250	2B	\$775	\$795	\$811
41	Normal	Current	\$250	2B	\$490	\$510	\$520
42	Normal	Current	\$250	2B	\$610	\$630	\$643
43	Normal	Current	\$250	2B	\$490	\$510	\$520
44	Normal	Current	\$250	2B	\$490	\$510	\$520
45	Normal	Current	\$250	2B	\$490	\$510	\$520
46	Normal	Current	\$200	2B	\$635	\$655	\$668
47	Normal	Vacant	\$0	2B	\$0	\$750	\$765
48	Normal	Current	\$250	2B	\$490	\$510	\$520
49	Normal	Vacant	\$0	2B	\$0	\$750	\$765
50	Normal	Current	\$250	2B	\$490	\$510	\$520
51	Normal	Current	\$250	2B	\$490	\$510	\$520
52	Normal	Current	\$250	2B	\$490	\$510	\$520
53	Normal	Current	\$400	2B	\$620	\$640	\$653
54	Normal	Current	\$0	2B	\$490	\$510	\$520
55	Normal	Current	\$250	2B	\$490	\$510	\$520
56	Normal	Current	\$200	2B	\$490	\$510	\$520
57	Normal	Current	\$250	2B	\$550	\$570	\$581
58	Normal	Vacant	\$0	2B	\$0	\$750	\$765
59	Normal	Vacant	\$0	2B	\$0	\$750	\$765
60	Normal	Vacant	\$0	2B	\$0	\$750	\$765
61	Normal	Vacant	\$0	2B	\$0	\$750	\$765
62	Normal	Current	\$250	2B	\$490	\$510	\$520
63	Normal	Current	\$250	2B	\$550	\$570	\$581

64	Normal	Current	\$250	2B	\$490	\$510	\$520
65	Normal	Current	\$250	2B	\$490	\$510	\$520
66	Normal	Vacant	\$0	2B	\$0	\$750	\$765
67	Normal	Current	\$0	2B	\$0	\$750	\$765
68	Normal	Current	\$250	2B	\$490	\$510	\$520
69	Normal	Current	\$250	2B	\$510	\$530	\$541
70	Normal	Current	\$0	2B	\$500	\$520	\$530
71	Normal	Current	\$0	2B	\$500	\$520	\$530
72	Normal	Vacant	\$0	2B	\$0	\$750	\$765
73	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
74	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
75	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
76	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
77	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
78	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
79	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
80	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
81	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
82	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
83	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
84	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
85	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
86	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
87	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
88	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
89	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
90	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
91	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
92	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
93	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
94	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
95	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
96	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
97	Catholic Action	Current	\$0	2B	\$550	\$561	\$572

98	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
99	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
100	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
101	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
102	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
103	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
104	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
105	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
106	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
107	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
108	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
109	Catholic Action	Current	\$0	2B	\$550	\$561	\$572
110	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
111	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
112	Catholic Action	Vacant	\$0	2B	\$550	\$561	\$572
	Total		\$9,350		\$44,520	\$67,550	\$68,901

\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$593	\$605	\$617	\$629	\$642	\$655	\$668	\$681	\$695	\$709	\$723	\$737
\$551	\$562	\$574	\$585	\$597	\$609	\$621	\$633	\$646	\$659	\$672	\$686
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$687	\$700	\$714	\$729	\$743	\$758	\$773	\$789	\$805	\$821	\$837	\$854
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$827	\$844	\$861	\$878	\$895	\$913	\$931	\$950	\$969	\$988	\$1,008	\$1,028
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$655	\$669	\$682	\$696	\$709	\$724	\$738	\$753	\$768	\$783	\$799	\$815
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$666	\$679	\$693	\$707	\$721	\$735	\$750	\$765	\$780	\$796	\$812	\$828
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$593	\$605	\$617	\$629	\$642	\$655	\$668	\$681	\$695	\$709	\$723	\$737
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$593	\$605	\$617	\$629	\$642	\$655	\$668	\$681	\$695	\$709	\$723	\$737
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$593	\$605	\$617	\$629	\$642	\$655	\$668	\$681	\$695	\$709	\$723	\$737
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$780	\$796	\$812	\$828	\$845	\$862	\$879	\$896	\$914	\$933	\$951	\$970
\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660
\$593	\$605	\$617	\$629	\$642	\$655	\$668	\$681	\$695	\$709	\$723	\$737

\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$584	\$595	\$607	\$619	\$632	\$644	\$657	\$670	\$684	\$698	\$711	\$726
\$70,279	\$71,685	\$73,118	\$74,581	\$76,072	\$77,594	\$79,146	\$80,729	\$82,343	\$83,990	\$85,670	\$87,383

Amortization Table

Month	Beg Balance	Payment	Principal	Interest	Ending Balance
0	\$0	\$0	\$0	\$0	\$2,959,200
1	\$2,959,200	\$17,299	\$4,969	\$12,330	\$2,954,231
2	\$2,954,231	\$17,299	\$4,990	\$12,309	\$2,949,241
3	\$2,949,241	\$17,299	\$5,011	\$12,289	\$2,944,230
4	\$2,944,230	\$17,299	\$5,032	\$12,268	\$2,939,199
5	\$2,939,199	\$17,299	\$5,053	\$12,247	\$2,934,146
6	\$2,934,146	\$17,299	\$5,074	\$12,226	\$2,929,073
7	\$2,929,073	\$17,299	\$5,095	\$12,204	\$2,923,978
8	\$2,923,978	\$17,299	\$5,116	\$12,183	\$2,918,862
9	\$2,918,862	\$17,299	\$5,137	\$12,162	\$2,913,725
10	\$2,913,725	\$17,299	\$5,159	\$12,141	\$2,908,566
11	\$2,908,566	\$17,299	\$5,180	\$12,119	\$2,903,386
12	\$2,903,386	\$17,299	\$5,202	\$12,097	\$2,898,184
13	\$2,898,184	\$17,299	\$5,223	\$12,076	\$2,892,961
14	\$2,892,961	\$17,299	\$5,245	\$12,054	\$2,887,715
15	\$2,887,715	\$17,299	\$5,267	\$12,032	\$2,882,448
16	\$2,882,448	\$17,299	\$5,289	\$12,010	\$2,877,159
17	\$2,877,159	\$17,299	\$5,311	\$11,988	\$2,871,848
18	\$2,871,848	\$17,299	\$5,333	\$11,966	\$2,866,515
19	\$2,866,515	\$17,299	\$5,355	\$11,944	\$2,861,160
20	\$2,861,160	\$17,299	\$5,378	\$11,921	\$2,855,782
21	\$2,855,782	\$17,299	\$5,400	\$11,899	\$2,850,382
22	\$2,850,382	\$17,299	\$5,423	\$11,877	\$2,844,959
23	\$2,844,959	\$17,299	\$5,445	\$11,854	\$2,839,514
24	\$2,839,514	\$17,299	\$5,468	\$11,831	\$2,834,046
25	\$2,834,046	\$17,299	\$5,491	\$11,809	\$2,828,556
26	\$2,828,556	\$17,299	\$5,514	\$11,786	\$2,823,042
27	\$2,823,042	\$17,299	\$5,537	\$11,763	\$2,817,506
28	\$2,817,506	\$17,299	\$5,560	\$11,740	\$2,811,946
29	\$2,811,946	\$17,299	\$5,583	\$11,716	\$2,806,363
30	\$2,806,363	\$17,299	\$5,606	\$11,693	\$2,800,757
31	\$2,800,757	\$17,299	\$5,629	\$11,670	\$2,795,128

32	\$2,795,128	\$17,299	\$5,653	\$11,646	\$2,789,475
33	\$2,789,475	\$17,299	\$5,676	\$11,623	\$2,783,799
34	\$2,783,799	\$17,299	\$5,700	\$11,599	\$2,778,099
35	\$2,778,099	\$17,299	\$5,724	\$11,575	\$2,772,375
36	\$2,772,375	\$17,299	\$5,748	\$11,552	\$2,766,627
37	\$2,766,627	\$17,299	\$5,772	\$11,528	\$2,760,856
38	\$2,760,856	\$17,299	\$5,796	\$11,504	\$2,755,060
39	\$2,755,060	\$17,299	\$5,820	\$11,479	\$2,749,240
40	\$2,749,240	\$17,299	\$5,844	\$11,455	\$2,743,396
41	\$2,743,396	\$17,299	\$5,868	\$11,431	\$2,737,528
42	\$2,737,528	\$17,299	\$5,893	\$11,406	\$2,731,635
43	\$2,731,635	\$17,299	\$5,917	\$11,382	\$2,725,718
44	\$2,725,718	\$17,299	\$5,942	\$11,357	\$2,719,776
45	\$2,719,776	\$17,299	\$5,967	\$11,332	\$2,713,809
46	\$2,713,809	\$17,299	\$5,992	\$11,308	\$2,707,817
47	\$2,707,817	\$17,299	\$6,017	\$11,283	\$2,701,801
48	\$2,701,801	\$17,299	\$6,042	\$11,258	\$2,695,759
49	\$2,695,759	\$17,299	\$6,067	\$11,232	\$2,689,692
50	\$2,689,692	\$17,299	\$6,092	\$11,207	\$2,683,600
51	\$2,683,600	\$17,299	\$6,118	\$11,182	\$2,677,483
52	\$2,677,483	\$17,299	\$6,143	\$11,156	\$2,671,340
53	\$2,671,340	\$17,299	\$6,169	\$11,131	\$2,665,171
54	\$2,665,171	\$17,299	\$6,194	\$11,105	\$2,658,977
55	\$2,658,977	\$17,299	\$6,220	\$11,079	\$2,652,756
56	\$2,652,756	\$17,299	\$6,246	\$11,053	\$2,646,510
57	\$2,646,510	\$17,299	\$6,272	\$11,027	\$2,640,238
58	\$2,640,238	\$17,299	\$6,298	\$11,001	\$2,633,940
59	\$2,633,940	\$17,299	\$6,324	\$10,975	\$2,627,616
60	\$2,627,616	\$17,299	\$6,351	\$10,948	\$2,621,265
61	\$2,621,265	\$17,299	\$6,377	\$10,922	\$2,614,888
62	\$2,614,888	\$17,299	\$6,404	\$10,895	\$2,608,484
63	\$2,608,484	\$17,299	\$6,431	\$10,869	\$2,602,053
64	\$2,602,053	\$17,299	\$6,457	\$10,842	\$2,595,596
65	\$2,595,596	\$17,299	\$6,484	\$10,815	\$2,589,112

66	\$2,589,112	\$17,299	\$6,511	\$10,788	\$2,582,601
67	\$2,582,601	\$17,299	\$6,538	\$10,761	\$2,576,062
68	\$2,576,062	\$17,299	\$6,566	\$10,734	\$2,569,497
69	\$2,569,497	\$17,299	\$6,593	\$10,706	\$2,562,904
70	\$2,562,904	\$17,299	\$6,620	\$10,679	\$2,556,283
71	\$2,556,283	\$17,299	\$6,648	\$10,651	\$2,549,635
72	\$2,549,635	\$17,299	\$6,676	\$10,623	\$2,542,960
73	\$2,542,960	\$17,299	\$6,704	\$10,596	\$2,536,256
74	\$2,536,256	\$17,299	\$6,731	\$10,568	\$2,529,525
75	\$2,529,525	\$17,299	\$6,760	\$10,540	\$2,522,765
76	\$2,522,765	\$17,299	\$6,788	\$10,512	\$2,515,977
77	\$2,515,977	\$17,299	\$6,816	\$10,483	\$2,509,162
78	\$2,509,162	\$17,299	\$6,844	\$10,455	\$2,502,317
79	\$2,502,317	\$17,299	\$6,873	\$10,426	\$2,495,444
80	\$2,495,444	\$17,299	\$6,902	\$10,398	\$2,488,543
81	\$2,488,543	\$17,299	\$6,930	\$10,369	\$2,481,613
82	\$2,481,613	\$17,299	\$6,959	\$10,340	\$2,474,653
83	\$2,474,653	\$17,299	\$6,988	\$10,311	\$2,467,665
84	\$2,467,665	\$17,299	\$7,017	\$10,282	\$2,460,648
85	\$2,460,648	\$17,299	\$7,046	\$10,253	\$2,453,602
86	\$2,453,602	\$17,299	\$7,076	\$10,223	\$2,446,526
87	\$2,446,526	\$17,299	\$7,105	\$10,194	\$2,439,420
88	\$2,439,420	\$17,299	\$7,135	\$10,164	\$2,432,285
89	\$2,432,285	\$17,299	\$7,165	\$10,135	\$2,425,121
90	\$2,425,121	\$17,299	\$7,195	\$10,105	\$2,417,926
91	\$2,417,926	\$17,299	\$7,224	\$10,075	\$2,410,702
92	\$2,410,702	\$17,299	\$7,255	\$10,045	\$2,403,447
93	\$2,403,447	\$17,299	\$7,285	\$10,014	\$2,396,162
94	\$2,396,162	\$17,299	\$7,315	\$9,984	\$2,388,847
95	\$2,388,847	\$17,299	\$7,346	\$9,954	\$2,381,501
96	\$2,381,501	\$17,299	\$7,376	\$9,923	\$2,374,125
97	\$2,374,125	\$17,299	\$7,407	\$9,892	\$2,366,718
98	\$2,366,718	\$17,299	\$7,438	\$9,861	\$2,359,280
99	\$2,359,280	\$17,299	\$7,469	\$9,830	\$2,351,811

100	\$2,351,811	\$17,299	\$7,500	\$9,799	\$2,344,312
101	\$2,344,312	\$17,299	\$7,531	\$9,768	\$2,336,780
102	\$2,336,780	\$17,299	\$7,563	\$9,737	\$2,329,218
103	\$2,329,218	\$17,299	\$7,594	\$9,705	\$2,321,624
104	\$2,321,624	\$17,299	\$7,626	\$9,673	\$2,313,998
105	\$2,313,998	\$17,299	\$7,658	\$9,642	\$2,306,340
106	\$2,306,340	\$17,299	\$7,689	\$9,610	\$2,298,651
107	\$2,298,651	\$17,299	\$7,721	\$9,578	\$2,290,929
108	\$2,290,929	\$17,299	\$7,754	\$9,546	\$2,283,176
109	\$2,283,176	\$17,299	\$7,786	\$9,513	\$2,275,390
110	\$2,275,390	\$17,299	\$7,818	\$9,481	\$2,267,571
111	\$2,267,571	\$17,299	\$7,851	\$9,448	\$2,259,720
112	\$2,259,720	\$17,299	\$7,884	\$9,416	\$2,251,837
113	\$2,251,837	\$17,299	\$7,917	\$9,383	\$2,243,920
114	\$2,243,920	\$17,299	\$7,950	\$9,350	\$2,235,971
115	\$2,235,971	\$17,299	\$7,983	\$9,317	\$2,227,988
116	\$2,227,988	\$17,299	\$8,016	\$9,283	\$2,219,972
117	\$2,219,972	\$17,299	\$8,049	\$9,250	\$2,211,923
118	\$2,211,923	\$17,299	\$8,083	\$9,216	\$2,203,840
119	\$2,203,840	\$17,299	\$8,117	\$9,183	\$2,195,723
120	\$2,195,723	\$17,299	\$8,150	\$9,149	\$2,187,573
121	\$2,187,573	\$17,299	\$8,184	\$9,115	\$2,179,389
122	\$2,179,389	\$17,299	\$8,218	\$9,081	\$2,171,170
123	\$2,171,170	\$17,299	\$8,253	\$9,047	\$2,162,918
124	\$2,162,918	\$17,299	\$8,287	\$9,012	\$2,154,631
125	\$2,154,631	\$17,299	\$8,322	\$8,978	\$2,146,309
126	\$2,146,309	\$17,299	\$8,356	\$8,943	\$2,137,953
127	\$2,137,953	\$17,299	\$8,391	\$8,908	\$2,129,562
128	\$2,129,562	\$17,299	\$8,426	\$8,873	\$2,121,136
129	\$2,121,136	\$17,299	\$8,461	\$8,838	\$2,112,675
130	\$2,112,675	\$17,299	\$8,496	\$8,803	\$2,104,178
131	\$2,104,178	\$17,299	\$8,532	\$8,767	\$2,095,647
132	\$2,095,647	\$17,299	\$8,567	\$8,732	\$2,087,079
133	\$2,087,079	\$17,299	\$8,603	\$8,696	\$2,078,476

134	\$2,078,476	\$17,299	\$8,639	\$8,660	\$2,069,837
135	\$2,069,837	\$17,299	\$8,675	\$8,624	\$2,061,162
136	\$2,061,162	\$17,299	\$8,711	\$8,588	\$2,052,451
137	\$2,052,451	\$17,299	\$8,747	\$8,552	\$2,043,704
138	\$2,043,704	\$17,299	\$8,784	\$8,515	\$2,034,920
139	\$2,034,920	\$17,299	\$8,820	\$8,479	\$2,026,100
140	\$2,026,100	\$17,299	\$8,857	\$8,442	\$2,017,243
141	\$2,017,243	\$17,299	\$8,894	\$8,405	\$2,008,349
142	\$2,008,349	\$17,299	\$8,931	\$8,368	\$1,999,418
143	\$1,999,418	\$17,299	\$8,968	\$8,331	\$1,990,450
144	\$1,990,450	\$17,299	\$9,006	\$8,294	\$1,981,444
145	\$1,981,444	\$17,299	\$9,043	\$8,256	\$1,972,401
146	\$1,972,401	\$17,299	\$9,081	\$8,218	\$1,963,320
147	\$1,963,320	\$17,299	\$9,119	\$8,180	\$1,954,201
148	\$1,954,201	\$17,299	\$9,157	\$8,143	\$1,945,045
149	\$1,945,045	\$17,299	\$9,195	\$8,104	\$1,935,850
150	\$1,935,850	\$17,299	\$9,233	\$8,066	\$1,926,617
151	\$1,926,617	\$17,299	\$9,272	\$8,028	\$1,917,345
152	\$1,917,345	\$17,299	\$9,310	\$7,989	\$1,908,035
153	\$1,908,035	\$17,299	\$9,349	\$7,950	\$1,898,686
154	\$1,898,686	\$17,299	\$9,388	\$7,911	\$1,889,298
155	\$1,889,298	\$17,299	\$9,427	\$7,872	\$1,879,871
156	\$1,879,871	\$17,299	\$9,466	\$7,833	\$1,870,404
157	\$1,870,404	\$17,299	\$9,506	\$7,793	\$1,860,898
158	\$1,860,898	\$17,299	\$9,545	\$7,754	\$1,851,353
159	\$1,851,353	\$17,299	\$9,585	\$7,714	\$1,841,768
160	\$1,841,768	\$17,299	\$9,625	\$7,674	\$1,832,142
161	\$1,832,142	\$17,299	\$9,665	\$7,634	\$1,822,477
162	\$1,822,477	\$17,299	\$9,706	\$7,594	\$1,812,772
163	\$1,812,772	\$17,299	\$9,746	\$7,553	\$1,803,026
164	\$1,803,026	\$17,299	\$9,787	\$7,513	\$1,793,239
165	\$1,793,239	\$17,299	\$9,827	\$7,472	\$1,783,412
166	\$1,783,412	\$17,299	\$9,868	\$7,431	\$1,773,543
167	\$1,773,543	\$17,299	\$9,909	\$7,390	\$1,763,634

168	\$1,763,634	\$17,299	\$9,951	\$7,348	\$1,753,683
169	\$1,753,683	\$17,299	\$9,992	\$7,307	\$1,743,691
170	\$1,743,691	\$17,299	\$10,034	\$7,265	\$1,733,657
171	\$1,733,657	\$17,299	\$10,076	\$7,224	\$1,723,582
172	\$1,723,582	\$17,299	\$10,118	\$7,182	\$1,713,464
173	\$1,713,464	\$17,299	\$10,160	\$7,139	\$1,703,304
174	\$1,703,304	\$17,299	\$10,202	\$7,097	\$1,693,102
175	\$1,693,102	\$17,299	\$10,245	\$7,055	\$1,682,858
176	\$1,682,858	\$17,299	\$10,287	\$7,012	\$1,672,570
177	\$1,672,570	\$17,299	\$10,330	\$6,969	\$1,662,240
178	\$1,662,240	\$17,299	\$10,373	\$6,926	\$1,651,867
179	\$1,651,867	\$17,299	\$10,416	\$6,883	\$1,641,451
180	\$1,641,451	\$17,299	\$10,460	\$6,839	\$1,630,991
181	\$1,630,991	\$17,299	\$10,503	\$6,796	\$1,620,487
182	\$1,620,487	\$17,299	\$10,547	\$6,752	\$1,609,940
183	\$1,609,940	\$17,299	\$10,591	\$6,708	\$1,599,349
184	\$1,599,349	\$17,299	\$10,635	\$6,664	\$1,588,714
185	\$1,588,714	\$17,299	\$10,680	\$6,620	\$1,578,034
186	\$1,578,034	\$17,299	\$10,724	\$6,575	\$1,567,310
187	\$1,567,310	\$17,299	\$10,769	\$6,530	\$1,556,542
188	\$1,556,542	\$17,299	\$10,814	\$6,486	\$1,545,728
189	\$1,545,728	\$17,299	\$10,859	\$6,441	\$1,534,869
190	\$1,534,869	\$17,299	\$10,904	\$6,395	\$1,523,965
191	\$1,523,965	\$17,299	\$10,949	\$6,350	\$1,513,016
192	\$1,513,016	\$17,299	\$10,995	\$6,304	\$1,502,021
193	\$1,502,021	\$17,299	\$11,041	\$6,258	\$1,490,980
194	\$1,490,980	\$17,299	\$11,087	\$6,212	\$1,479,894
195	\$1,479,894	\$17,299	\$11,133	\$6,166	\$1,468,761
196	\$1,468,761	\$17,299	\$11,179	\$6,120	\$1,457,581
197	\$1,457,581	\$17,299	\$11,226	\$6,073	\$1,446,355
198	\$1,446,355	\$17,299	\$11,273	\$6,026	\$1,435,083
199	\$1,435,083	\$17,299	\$11,320	\$5,980	\$1,423,763
200	\$1,423,763	\$17,299	\$11,367	\$5,932	\$1,412,396
201	\$1,412,396	\$17,299	\$11,414	\$5,885	\$1,400,982

202	\$1,400,982	\$17,299	\$11,462	\$5,837	\$1,389,520
203	\$1,389,520	\$17,299	\$11,510	\$5,790	\$1,378,011
204	\$1,378,011	\$17,299	\$11,557	\$5,742	\$1,366,453
205	\$1,366,453	\$17,299	\$11,606	\$5,694	\$1,354,848
206	\$1,354,848	\$17,299	\$11,654	\$5,645	\$1,343,194
207	\$1,343,194	\$17,299	\$11,703	\$5,597	\$1,331,491
208	\$1,331,491	\$17,299	\$11,751	\$5,548	\$1,319,740
209	\$1,319,740	\$17,299	\$11,800	\$5,499	\$1,307,939
210	\$1,307,939	\$17,299	\$11,849	\$5,450	\$1,296,090
211	\$1,296,090	\$17,299	\$11,899	\$5,400	\$1,284,191
212	\$1,284,191	\$17,299	\$11,948	\$5,351	\$1,272,243
213	\$1,272,243	\$17,299	\$11,998	\$5,301	\$1,260,245
214	\$1,260,245	\$17,299	\$12,048	\$5,251	\$1,248,196
215	\$1,248,196	\$17,299	\$12,098	\$5,201	\$1,236,098
216	\$1,236,098	\$17,299	\$12,149	\$5,150	\$1,223,949
217	\$1,223,949	\$17,299	\$12,199	\$5,100	\$1,211,750
218	\$1,211,750	\$17,299	\$12,250	\$5,049	\$1,199,500
219	\$1,199,500	\$17,299	\$12,301	\$4,998	\$1,187,198
220	\$1,187,198	\$17,299	\$12,353	\$4,947	\$1,174,846
221	\$1,174,846	\$17,299	\$12,404	\$4,895	\$1,162,442
222	\$1,162,442	\$17,299	\$12,456	\$4,844	\$1,149,986
223	\$1,149,986	\$17,299	\$12,508	\$4,792	\$1,137,479
224	\$1,137,479	\$17,299	\$12,560	\$4,739	\$1,124,919
225	\$1,124,919	\$17,299	\$12,612	\$4,687	\$1,112,307
226	\$1,112,307	\$17,299	\$12,665	\$4,635	\$1,099,642
227	\$1,099,642	\$17,299	\$12,717	\$4,582	\$1,086,925
228	\$1,086,925	\$17,299	\$12,770	\$4,529	\$1,074,155
229	\$1,074,155	\$17,299	\$12,824	\$4,476	\$1,061,331
230	\$1,061,331	\$17,299	\$12,877	\$4,422	\$1,048,454
231	\$1,048,454	\$17,299	\$12,931	\$4,369	\$1,035,524
232	\$1,035,524	\$17,299	\$12,985	\$4,315	\$1,022,539
233	\$1,022,539	\$17,299	\$13,039	\$4,261	\$1,009,500
234	\$1,009,500	\$17,299	\$13,093	\$4,206	\$996,407
235	\$996,407	\$17,299	\$13,147	\$4,152	\$983,260

236	\$983,260	\$17,299	\$13,202	\$4,097	\$970,058
237	\$970,058	\$17,299	\$13,257	\$4,042	\$956,800
238	\$956,800	\$17,299	\$13,313	\$3,987	\$943,488
239	\$943,488	\$17,299	\$13,368	\$3,931	\$930,120
240	\$930,120	\$17,299	\$13,424	\$3,875	\$916,696
241	\$916,696	\$17,299	\$13,480	\$3,820	\$903,217
242	\$903,217	\$17,299	\$13,536	\$3,763	\$889,681
243	\$889,681	\$17,299	\$13,592	\$3,707	\$876,089
244	\$876,089	\$17,299	\$13,649	\$3,650	\$862,440
245	\$862,440	\$17,299	\$13,706	\$3,593	\$848,734
246	\$848,734	\$17,299	\$13,763	\$3,536	\$834,971
247	\$834,971	\$17,299	\$13,820	\$3,479	\$821,151
248	\$821,151	\$17,299	\$13,878	\$3,421	\$807,273
249	\$807,273	\$17,299	\$13,936	\$3,364	\$793,338
250	\$793,338	\$17,299	\$13,994	\$3,306	\$779,344
251	\$779,344	\$17,299	\$14,052	\$3,247	\$765,292
252	\$765,292	\$17,299	\$14,110	\$3,189	\$751,182
253	\$751,182	\$17,299	\$14,169	\$3,130	\$737,013
254	\$737,013	\$17,299	\$14,228	\$3,071	\$722,784
255	\$722,784	\$17,299	\$14,288	\$3,012	\$708,497
256	\$708,497	\$17,299	\$14,347	\$2,952	\$694,150
257	\$694,150	\$17,299	\$14,407	\$2,892	\$679,743
258	\$679,743	\$17,299	\$14,467	\$2,832	\$665,276
259	\$665,276	\$17,299	\$14,527	\$2,772	\$650,749
260	\$650,749	\$17,299	\$14,588	\$2,711	\$636,161
261	\$636,161	\$17,299	\$14,649	\$2,651	\$621,512
262	\$621,512	\$17,299	\$14,710	\$2,590	\$606,803
263	\$606,803	\$17,299	\$14,771	\$2,528	\$592,032
264	\$592,032	\$17,299	\$14,832	\$2,467	\$577,200
265	\$577,200	\$17,299	\$14,894	\$2,405	\$562,305
266	\$562,305	\$17,299	\$14,956	\$2,343	\$547,349
267	\$547,349	\$17,299	\$15,019	\$2,281	\$532,331
268	\$532,331	\$17,299	\$15,081	\$2,218	\$517,249
269	\$517,249	\$17,299	\$15,144	\$2,155	\$502,105

270	\$502,105	\$17,299	\$15,207	\$2,092		\$486,898
271	\$486,898	\$17,299	\$15,270	\$2,029		\$471,628
272	\$471,628	\$17,299	\$15,334	\$1,965		\$456,294
273	\$456,294	\$17,299	\$15,398	\$1,901		\$440,896
274	\$440,896	\$17,299	\$15,462	\$1,837		\$425,434
275	\$425,434	\$17,299	\$15,527	\$1,773		\$409,907
276	\$409,907	\$17,299	\$15,591	\$1,708		\$394,316
277	\$394,316	\$17,299	\$15,656	\$1,643		\$378,660
278	\$378,660	\$17,299	\$15,721	\$1,578		\$362,938
279	\$362,938	\$17,299	\$15,787	\$1,512		\$347,151
280	\$347,151	\$17,299	\$15,853	\$1,446		\$331,299
281	\$331,299	\$17,299	\$15,919	\$1,380		\$315,380
282	\$315,380	\$17,299	\$15,985	\$1,314		\$299,395
283	\$299,395	\$17,299	\$16,052	\$1,247		\$283,343
284	\$283,343	\$17,299	\$16,119	\$1,181		\$267,224
285	\$267,224	\$17,299	\$16,186	\$1,113		\$251,039
286	\$251,039	\$17,299	\$16,253	\$1,046		\$234,785
287	\$234,785	\$17,299	\$16,321	\$978		\$218,465
288	\$218,465	\$17,299	\$16,389	\$910		\$202,076
289	\$202,076	\$17,299	\$16,457	\$842		\$185,618
290	\$185,618	\$17,299	\$16,526	\$773		\$169,093
291	\$169,093	\$17,299	\$16,595	\$705		\$152,498
292	\$152,498	\$17,299	\$16,664	\$635		\$135,834
293	\$135,834	\$17,299	\$16,733	\$566		\$119,101
294	\$119,101	\$17,299	\$16,803	\$496		\$102,298
295	\$102,298	\$17,299	\$16,873	\$426		\$85,425
296	\$85,425	\$17,299	\$16,943	\$356		\$68,482
297	\$68,482	\$17,299	\$17,014	\$285		\$51,468
298	\$51,468	\$17,299	\$17,085	\$214		\$34,383
299	\$34,383	\$17,299	\$17,156	\$143		\$17,227
300	\$17,227	\$17,299	\$17,227	\$72		\$0
301	\$0	\$17,299	\$17,299	\$0		(\$17,299)

RENOVATION/UPGRADE LIST

Upgrade Description	Completed By	Cost	Source of Funds
12 new Roofs	12/30/2018	\$120,000	Construction Loan
Renovate 70 units	12/30/2018	\$560,000	Construction Loan
New Soffit and Gutters/Downspouts	12/30/2018	\$76,000	Construction Loan
Wifi	12/30/2018	\$10,000	Construction Loan

Assuming \$10k per roc
 Assuming update of flc
 Used Scott Reed's assu
 Used Scott Reed's assu

MAYOR JIM GRAY



LEXINGTON

RICHARD MCQUADY
DIRECTOR
AFFORDABLE HOUSING

August 23, 2018

Mr. Scott Reed, Owner
Cardinal Valley LLC
1890 Star Shoot Parkway, Suite 170-222
Lexington, KY. 40509

Dear Mr. Reed,

The Board of Directors of the Affordable Housing Fund has conditionally agreed to not require Cardinal Valley LLC to repay the \$411,748.85 second mortgage when they purchase Stonebridge Apartments. The current second mortgage will convert to a 15 year forgivable loan (1/15th of the balance forgiven each year the development remains in compliance with Affordable Housing Program Guidelines) as long as Cardinal Valley LLC agrees, prior to purchasing Stonebridge Apartments, to the following:

1. The \$411,748.85 will remain as a second mortgage on Stonebridge Apartments.
2. Cardinal Valley LLC agrees to lease all 112 units at Stonebridge to households whose incomes are at or below 80% of area median income. This will include an update to the 15 year deed restriction currently on the property.
3. Cardinal Valley LLC agrees to phase in rent increases in a manner that does not force current tenants to find more affordable housing options.
4. Cardinal Valley LLC enters into an agreement with Divine Providence to continue leasing units to their population. This agreement must be in writing and signed by Ginny Ramsay of Divine Providence and representatives of Cardinal Valley, LLC.
5. Cardinal Valley, LLC provides a copy of the HUD-1 form upon purchase of Stonebridge Apartments.

Please indicate your acceptance of this contingent commitment and upon acceptance LFUCG will work to close the transaction.

Sincerely,

Richard L. McQuady
Affordable Housing Manager

Accepted by:

