

ESCROW AGREEMENT FOR SUPPLEMENTAL RENT FUND

THIS ESCROW AGREEMENT FOR SUPPLEMENTAL RENT FUND (“Agreement”) is made as of April ___, 2014 by and between **DAVIS PARK VIEW, LLLP**, a Kentucky limited liability limited partnership (“Owner”), and **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, a political subdivision of the Commonwealth of Kentucky (“Escrow Agent”).

A. The Escrow Agent has executed an Agreement Between Commonwealth of Kentucky Transportation Cabinet Department and the Lexington Urban County Government Supplemental Agreement No. 3 (the “Funding Agreement”) providing, amongst other things, the payment of rental assistance (the “Supplemental Rent”) to the Owner on behalf of those tenants residing in the housing units which consist of Davis Park View Apartments; and

B. Pursuant to the Agreement, the Escrow Agent will make Supplemental Rent payments to AU Associates, Inc. (“AU”) on a quarterly basis pursuant to a written invoice provided by AU and approved, in writing, by the Lexington Community Land Trust, Inc. (“LCLT”); and

C. Terms used herein and not otherwise defined shall have the meaning assigned to them in the Funding Agreement.

NOW, THEREFORE, in consideration of the foregoing, the covenants and conditions contained in this Agreement and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Owner and Escrow Agent hereby agree as follows:

1. The Deposit. The Supplemental Rent in the amount of \$194,928 (the “Funds”) shall be used by the Escrow Agent and the Owner solely for the purpose of supplementing the monthly rents of those individuals displaced by the Project and residing in housing units located on the Property for an additional 78 months beyond the traditional 42 month relocation housing payments. The Funds shall be held, invested and released by the Escrow Agent, and used by Owner, in accordance with the terms and conditions of the Funding Agreement and this Agreement. The Escrow Agent shall have the sole right to make withdrawal of the Funds.

2. Rent Payments. At the beginning of each calendar quarter (January, April, July, and October), the Owner shall cause AU to submit a written invoice to the Escrow Agent for the anticipated Funds (the “Anticipated Funds Invoice”) necessary to make rent payments to the Owner on behalf of the Qualified Individuals (the “Advanced Funds”). The Owner shall utilize the Advanced Funds as a credit against the rent obligation of the Qualified Individuals, as applicable. The Owner shall refund to the Escrow Agent any portion of Advanced Funds paid for a unit which that is permanently vacated or surrendered as of the first day of the applicable month and not occupied by a Qualified Individuals during such month, as applicable. Notwithstanding anything contained herein to the contrary, Advanced Funds shall not be disbursed for any quarter by the Escrow Agent until the Escrow Agent receives a written request therefore signed by both LCLT and AU (which may be included with or on the Anticipated Funds Invoice).

3. Investment of the Funds. Escrow Agent shall deposit the Funds in an interest bearing account at such financial institution as Escrow Agent shall select in its sole discretion. The Funds shall constitute a trust fund and may not be commingled with other monies held or invested by Escrow Agent.

4. Default. A default under the Funding Agreement shall constitute a default under this Agreement. Upon the occurrence of an Event of Default, the Funding Agreement shall control.

5. Miscellaneous.

(a) Except as otherwise expressly provided herein, in any instance where the consent or approval of Escrow Agent is required or may be given or where any determination, judgment or decision is to be rendered by Escrow Agent under this Agreement, such approval and consent shall be given or withheld in Escrow Agent's sole and absolute discretion.

(b) All notices hereunder shall be given in accordance with the provisions of the Funding Agreement.

(c) This Agreement shall be binding upon Owner and its heirs, devisees, representatives, successors and assigns, including successors in interest of Owner in and to all or any part of the Property, and shall inure to the benefit of the Qualified Individuals. Except as provided in the Partnership Agreement, the Owner shall not assign any of its rights or obligations under this Agreement.

(d) The terms and conditions contained herein may only be altered, changed, modified, extended, amended, discharged, or terminated by an agreement in writing executed by each of the parties hereto and LCLT, and not by any oral agreement, action, inaction, or otherwise.

(e) If any provisions of this Agreement shall conflict with any provisions of the other Funding Agreement regarding the Funds, the provisions contained in the Funding Agreement shall control.

(f) If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

(g) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY.

(h) This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representative, successors and assigns.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth above.

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

DAVIS PARK VIEW, LLLP, a Kentucky
limited liability limited partnership

By: AU Development, LLC, its general
partner

By: _____

Jim Gray
Mayor

By: _____

Name: Holly B. Wiedemann
Title: Manager

Date: _____

Date: _____