

AGREEMENT

THIS AGREEMENT, made and entered into this 10th day of December 2013, by and between Lexington-Fayette Urban County Government an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Kentucky 40507 (hereinafter referred to as "Government"), and The Fayette County Local Development corporation, a non-stock, non-profit Kentucky Corporation organized pursuant to KRS Chapter 273, and whose mailing address is 148 DeWeese Street., Lexington, Kentucky 40507 (hereinafter referred to as "Grantee").

RECITALS

WHEREAS, the Government has entered into a Memorandum of Agreement with Office of the Attorney General of Kentucky, whereby the Government will receive Seven Hundred Fifty Nine Thousand One Hundred and Twenty Five Dollars (\$759,125.00) in LPS Settlement Funds to fund and administer identified housing programs that provide assistance to individuals who have been impacted by foreclosure; provide incentives for acquisition, rehabilitation and/or resale or rental of properties that have been the subject of foreclosure; and counsel individuals facing foreclosure or trying to rebuild credit following a foreclosure;

WHEREAS, Grantee has been selected to receive \$100,000 for the construction of affordable rental housing for low- and very low-income households in Fayette County; and

WHEREAS, the Government's obligation includes the execution of a written agreement with the Grantee.

NOW THEREFORE, in consideration of the foregoing and mutually agreed upon promises, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I**Obligations of the Government:**

1. To provide up to One Hundred Thousand Dollars (\$100,000) of grant funds for the acquisition of property for the constructions of rental housing for low-income households.
2. To prepare and submit any necessary reports to the Office of the Attorney General of Kentucky.
3. To share responsibilities with the Grantee for the approval of disbursements of the grant funds.
4. To monitor Grantee in operation of herein described program.

ARTICLE II**Obligations of Grantee:**

1. The Grantee agrees that funds allocated under this Program will be leveraged with federal HOME Investment Partnerships funds received through LFUCG's Division of Grants and Special Programs, and also with commercial financing and other available sources of funding, to develop safe and contemporary affordable rental housing for low and very low income renters.

2. The Grantee agrees to rent all units subsidized with funds hereunder to low-income households for a period of not less than twenty years, beginning with the date that construction is deemed complete. Low-income households are those households with adjusted gross incomes at or below sixty percent (60%) of the median income for the community. The definition of income for this project is the same as the U.S. Department of Housing and Urban Development's Section 8 (Part 5) Annual (gross) Income.
3. The Grantee agrees to comply with the Kentucky Building Code, as applicable. The Grantee agrees to comply with all local and state laws regarding the submission of plans and specifications to, and approval by, the appropriate Building Official prior to the start of construction. The Grantee further agrees to maintain all units subsidized with these funds in good condition and repair in accordance with Section 12-1, Code of Ordinances, Lexington-Fayette Urban County Government, as amended. Upon written notification of violations of maintenance requirements, The Grantee shall make corrections within 60 days.
4. The Grantee shall obtain or cause to be obtained all necessary permits, licenses and approval from the appropriate governmental entities for performance of the herein described scope of work.
5. The Grantee shall provide to the Government a completion report on each unit developed to include sources and uses of all funds, family income, family size, race, ethnicity, disability, and veteran status. Completion report shall include copies of Certificate of Occupancy.
6. The Grantee shall expend all funds made available under this agreement by June 30, 2015.
7. The Grantee shall cooperate fully with the Government in order to facilitate the obligations set out in this Agreement.

ARTICLE III

Additional Provisions:

1. The Grantee shall expend all grant funds solely for the implementation of the Project as provided for by this agreement. Funds may be expended for acquisition, demolition and appropriate development fees related to the herein described project. Grantee agrees that Government shall withhold retainage of ten percent (%) per housing unit until unit is completed and rented.
2. The Grantee shall submit invoices to the Government's Division of Grants and Special Programs including copies of all invoices for which the Grantee is requesting reimbursement.
3. The Grantee must maintain current and accurate records necessary to document compliance with the agreement requirements for a period of three (3) years following final expenditure of agreement funds. The Government, its employees and its designees shall have access to and the right to inspect, copy, audit, and examine all such records. The Grantee shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by Government, or other authorized officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.
4. The Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, ancestry, national origin, sexual orientation, marital status, familial status, handicap, disability or other basis prohibited by applicable law. Grantee shall state in all solicitations or

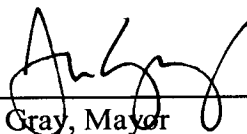
advertisements for employees that all qualified applicants will receive equal consideration for employment without regard to race, color, creed, religion, sex, age, ancestry, national origin, sexual orientation, marital status, familial status, handicap, disability or other basis prohibited by applicable law.

5. The Grantee agrees to comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-20), as amended, Title VI of the Civil Rights Act of 1964 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.
6. The Grantee will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Grantee may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
7. The Grantee agrees to defend, indemnify, and hold harmless Government from any and all losses or claims of whatever kind, that are in any way incidental to, or connected with, or that arise or are alleged to have arisen, directly or indirectly, in whole or in part, from the execution, performance, or breach of this agreement by Grantee, including any environmental problems, including, without limitation, soil and/or water contamination, and remedial investigations and feasibility studies thereof, which exist at or prior to the agreement commencement date, regardless of when such losses or claims are made or incurred. This indemnity agreement shall in no way be limited by any financial responsibility, or loss control requirements below, and shall survive the termination of this agreement;
 - For the purposes of this Indemnity Provision:
 - The word "defend" includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims at Grantee's expense, using attorneys approved in writing by Government, which approval shall not be unreasonably withheld.
 - The word "claims" includes, but is not limited to, claims, demands, liens, suits, notices of violation from Governmental agencies, and other causes of action of whatever kind.
 - The word "losses" includes, but is not limited to: attorney fees and expenses; costs of litigation; court or administrative costs; judgments; fines; penalties; interest; all environmental cleanups and remediation costs of whatever kind; and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of Grantee and Government, and damage to or destruction of, any property, including the property of Government.
8. No right, benefit, or advantage inuring to the Grantee and no burden imposed on Grantee hereunder may be assigned or otherwise transferred without the prior written approval of the Government.
9. This agreement or any part hereof, may be amended from time to time hereafter only in writing executed by the Government and Grantee.

10. This agreement can be terminated upon a 30-day written notice if Grantee fails to comply with any term of the Agreement. This Agreement may be terminated for convenience upon 30-day written notice by the Government.
11. The parties agree that the obligations imposed upon the parties are for the benefit of the parties and that the timely performance of each and every obligation in accordance with the Agreement is necessary. The failure of any party to fulfill its obligations under the Agreement or the failure of any event to occur by a date established by this Agreement shall constitute a breach of this Agreement unless the fulfillment of such obligation is waived or modified by written agreement of the parties.
12. In the event of default by Grantee, including the failure to meet any time deadlines set out in this Agreement, the Government may declare the Agreement void from the beginning without further obligation to Grantee and may commence appropriate legal or equitable action to enforce its rights under this Agreement.
13. Except as may otherwise be provided hereunder, the parties to this Agreement shall be solely responsible for any costs incurred in fulfilling their obligations under this Agreement, and no party shall have any claim against the other party for reimbursement of such costs, whether or not a party is in default.

IN WITNESS WHEREOF, the parties executed this Agreement the day, month, and year above written.

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT




Jim Gray, Mayor

ATTEST:



Martha J. Allen, Deputy
Clerk of Urban County Council

FAYETTE COUNTY LOCAL DEVELOPMENT
CORPORATION



Signature of Authorized Official

Porter C. Peoples, Sr.
Printed Name and Title