

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

February **THIS LOAN AGREEMENT** ("Agreement") is made and entered into this 27 day of ~~March~~ 2019 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 **ARBOR YOUTH SERVICES**, a Kentucky non-profit corporation, whose principal address is 536 West Third Street, Lexington, Kentucky 40508 (hereinafter referred to as the "Borrower").

WITNESSETH:

WHEREAS, pursuant to Chapter 2, Article XXXV, 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 XXXV, 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 9, 2018 (hereinafter referred to as the "Application"), attached hereto and incorporated herein as Exhibit A, has applied for and has received approval for funds for a specific 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 make funds available to Borrower from the Fund 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 and renovation 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 make available an amount not to exceed **TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00)** ("Loan") to Borrower from the Fund. Affordable Housing Funds will be disbursed by LFUCG to Borrower in accordance with the requirements set forth in this Agreement and conditioned upon Borrower's continued satisfactory performance under the terms of this Agreement. The Loan will be made available in the form of 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 March 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 will be expended only for the purpose of rehabilitation and/or renovation on the Property (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. Further, LFUCG will not be required to advance any amount under this Agreement if an Event of Default (as hereinafter defined) has occurred and is continuing.

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 rehabilitate and/or renovate the property, located at 1807 Dalton Court, Lexington, Kentucky ("Project" or "Property").

1.4 SITES. In the event the Project includes rehabilitation and/or renovation 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, 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 date the Loan proceeds are first expended on each unit in the Project. 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 CLOSING COSTS. All costs associated with funding under this Agreement will be borne by the Borrower, including but not limited to the cost of attorneys' fees, documentation, recording fees, and costs associated with disbursement. There will be a one percent (1%) Closing Cost Fee of **TWO THOUSAND FIVE HUNDRED (\$2,500.00)**.

3.7 RESERVE FUND FOR REPLACEMENT. Borrower will deposit the amount of **\$400.00** per unit annually into a Reserve Fund for Replacements Account ("Reserve Fund") or an amount equal to **TWO THOUSAND FOUR HUNDRED AND 00/100 DOLLARS (\$2,400.00)** annually; commencing at the date of construction completion and continuing annually throughout the term of the loan. All funds will be deposited into an account maintained by Borrower, and will be monitored by LFUCG during the compliance period. Reserve Fund disbursements will be only for the purposes of making necessary repairs to the Premises or replacement of furniture or fixtures.

3.8 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.

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

3.10 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 of 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 undismitted 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: Arbor Youth Services
536 West Third Street
Lexington, Kentucky 40508
ATTN: Lori Clemons, Executive Director

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 enforceable except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

7.9 EXHIBITS. Any exhibits attached to this Agreement and the matters contained therein are incorporated herein and deemed to be a part hereof as if fully recited in this Agreement prior to the date of execution hereof.

7.10 WAIVER. LFUCG may waive Borrower's performance of any of the terms of this Agreement or Borrower's default hereunder; provided, however, such waiver must be in writing, signed by LFUCG, and any such written waiver hereunder will not be construed as a waiver of any other term or condition of this Agreement or of any act of continuing default.

7.11 INVALID PROVISIONS. The invalidity or unenforceability of a particular provision of this Agreement will not affect the other provisions hereof, and this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted.

WITNESS the signatures of the parties hereto as of the date and year first above written.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: Linda Gorton
Linda Gorton, Mayor

ATTEST:
[Signature]
Clerk, Urban County Council

EXHIBIT A
(APPLICATION)



Affordable Housing Fund

Application for Funding

Please review the guidelines and eligible uses at [\(link\)](#) prior to filling out this application. If you have any questions please contact the Office of Affordable Housing at [\(phone\)](#) or [\(email\)](#).

General Information

Applicant Name: Arbor Youth Services

MWBE Status: N/A

Tax Status: Non-Profit 501(c)

Type of Entity: General Partnership

Development Name: Arbor Permanent Housing

Development Location: 1807 Dalton Court, Lexington KY, 40505

Contact Person: Lori Clemons

Contact Title: Executive Director

Mailing Address: 536 W. Third St.

City: Lexington **State:** KY **Zip:** 40508

Phone: 859-254-2501

Fax:

Email Address: lori@arborky.org

Funds Requested: \$250,000

Lexington, KY Affordable Housing Fund – Application For Funding

Other Funding (Specify on Pro-Forma):

Total Development Cost: \$250,000

Development Information

Development Type (Check all that apply):

New Construction:

Rehabilitation:

Adaptive Re-Use:

Rental (11 Units or Less):

Rental (12 Units or More):

Single Site:

Scattered Site:

Historic Property:

Total Number of Units: 6

Total Number of Buildings: 1

Square Feet of Units by Bedroom Size:

Unit Size: Square Footage: Please refer to attachments

Unit Size: Square Footage:

Unit Size: Square Footage:

Unit Size: Square Footage:

Unit Size: Square Footage:

Monthly Rents by Bedroom Size:

Unit Size: Efficiency Monthly Rent: \$568

Unit Size: 1BD Monthly Rent: \$639

Unit Size: 2BD Monthly Rent: \$820

Unit Size: Monthly Rent:

Unit Size: Monthly Rent:

Target Area Median Income (AMI): 30-50%

Amenities (Check all that apply):

Stove:

Refrigerator:

Dishwasher:

Garbage Disposal:

- Dishwasher:
- Wash/Dryer Hookup:
- Help/Call System:
- Community Room:
- Playground:
- Other (Please specify):

Location Amenities (Check all that apply):

- | | | |
|--|--|--------------|
| Public Transportation: <input checked="" type="checkbox"/> | Proximity to Development: <input type="checkbox"/> | Description: |
| Shopping: <input checked="" type="checkbox"/> | Proximity to Development: <input type="checkbox"/> | Description: |
| Restaurants: <input checked="" type="checkbox"/> | Proximity to Development: <input type="checkbox"/> | Description: |
| Medical Facilities: <input checked="" type="checkbox"/> | Proximity to Development: <input type="checkbox"/> | Description: |
| Banks: <input checked="" type="checkbox"/> | Proximity to Development: <input type="checkbox"/> | Description: |
| Other: <input type="checkbox"/> | Proximity to Development: <input type="checkbox"/> | Description: |

Populations to be Served (Check all that apply):

- Elderly:
- Single Parent:
- Homeless:
- Victims of Domestic Violence:
- Physically Disabled:
- Acquired Traumatic Brain Injury:
- Aging out of Foster Care:
- Veterans:
- Severe Mental Illness:
- Drug/Alcohol Addiction:

Description of services to be provided, service providers, and how services will be paid:

Arbor Youth Services proposes to provide permanent housing services to homeless youth ages 18-24. Service activities include but are not limited to: teaching and modeling independent living skills; financial literacy; basic needs; housing vouchers; physical and mental health advocacy; transportation; education and employment support; emotional and behavioral support; case management and service planning; referrals; and other support services necessary to help youth reach self-sufficiency. All services will be provided or coordinated by Arbor Youth Services. All program services will be free of charge to all participants and access to the program will be given to all eligible youth regardless of race, class, gender, sexual orientation, or any other discriminatory characteristics.

Please refer to the Business Plan attachment for a description of how services will be paid.

Application for Funding Agreement

The applicant certifies that the information submitted in this application is accurate and consistent with the applications submitted to other funding sources. The applicant commits to keeping the staff and board of the Affordable Housing Fund of Lexington, KY updated with changes in the project structure, funding, and development team. The applicant and any other borrower consents to a possible credit check as part of the underwriting process.

I have read the above agreement and consent to its terms:

Name: Lori Clemons

Title: Executive Director

Date: 08/09/2018

AHT Business Plan
Arbor Youth Services

- a. Market analysis.

N/A

- b. Project description with emphasis on the impact the project is expected to have on the neighborhood as well as the need for funds from the Fayette County Affordable Housing Fund and how the development addresses affordable housing needs in Fayette County.

This project will allow Arbor Youth Services to provide permanent housing to homeless youth ages 18-24 years of age. Arbor currently has a very strong relationship with other property managers in this area and has utilized this neighborhood for nearly two years to house current Rapid Rehousing and Supportive housing clients who have remained in the area once rental assistance has ceased. This property is currently vacant and in need of rehabilitation estimated at \$250,000.

The need for permanent housing services in Fayette County is continuously growing due to the high rate of youth aging out of foster care and choosing not to re-commit, youth leaving unstable living conditions once turning 18, and youth who are not eligible for other housing services due to age (HUD defined chronically homeless individuals take precedent over these youth) or other eligibility factors. Currently there are no other permanent housing programs for the specialized population of youth 18-24 within Fayette county, making this an underserved and under-represented population.

- c. A Location Map identifying neighborhood amenities

See Attachments

- d. Site photos showing front and rear of building (if applicable). If vacant land, pictures from the north, south, east and west.

See Attachments

- e. An affordability analysis indicating the income level household that can afford the units at the proposed rent level.

- f. Physical Needs Assessment, (if applicable).

N/A

g. Detailed description of rehabilitation plan, (if applicable)

Unknown at this time.

h. A projected 15 year pro-forma

See attachment.

i. Detailed description of sources and uses of funds to acquire and complete development. Describe status of other proposed funds as to whether they are committed, applied for, or in initial discussions. Provide commitment letters for committed funds.

If this facility is provided to Arbor at a reduced rate and we are successful in obtaining funding from Kentucky Housing Corporation (KHC) for the needed repairs, we expect regular maintenance, utilities and staffing to be the primary long-term costs.

The United Way, LFUCG and HUD are the current funding sources for the housing programs outlined above, if AYS is provided with this property future funding requests could be amended to include a portion of the costs to operate the project, while also adding leverage for additional funding opportunities. Our agency was recently awarded an Americorp Housing worker that will begin this September to meet the growing demand for housing services among youth and this position would be a viable staffing option for this project.

Arbor is currently pursuing CoC and other federal grant funding for an additional Housing Case Manager that would be devoted to permanent housing and outreach services for youth up to age 24. We are awaiting notification for federal Transitional Living and Street Outreach funding. If funded, these income streams would allow AYS to easily provide the needed start up and support staff for this project, while developing long term sustainability options. All income generated by this project would be designated for direct operational and staffing costs.

Funding Source	Funding History	Amount	Level of Commitment
Community Development Block Grant (Outreach Services)	10+ years	\$20,165	Awarded FY 2019
LFUCG -ESR - Community and Wellness (Supportive Housing)	10+ years	\$67,000	Awarded FY 2019
ESG – Rapid Rehousing (Single	3 years	\$19,708	Awarded FY 2019

Household Youth 18-24)			
FYSB – Transitional Living Program	New	\$195,000	Applied - Pending
FYSB- Street Outreach	Previous Funding 5+ years	\$149,729	Applied - Pending
CoC – Community Action Council Housing Collaboration	New	\$38,000	Application in Progress
Program Based Vouchers	New	TBD	Pending

Arbor is an established non-profit with consistent funding streams, allowing our agency to expand services with very little funding needed for indirect and administrative costs. Our current housing programs also have strong support from the community, receiving private foundation grants from organizations such as The King’s Daughters and Sons Foundation, Toyota Foundation and the Junior League of Lexington, in addition to active private support from numerous faith-based organizations, businesses and individuals. With these programming and fiscal components in place we believe this project would increase our agency’s ability to obtain future support through KHC, the CoC, HUD, and numerous other funders to ensure operational and fiscal sustainability.

- j. Post rehabilitation or new construction appraisal

N/A

- k. Provide verification of site control and proper zoning as well as utilities available to the site.

See Attachments

- l. Detailed timeline for completion of development.

Unknown at this time.

CAPACITY REVIEW (Attachment A)

1. List and provide resumes for each member of the development team followed by a brief narrative describing their experience with affordable housing developments. The development team includes:

- A. Developer
- B. Development owner (legal entity that will own the property)
- C. Consultant
- D. Application preparer
Falon Curtis – Arbor Youth Services -Director of Operations
- E. General Partner
- F. Architect
- G. Contractor
- H. Attorney
- I. Management company
- J. Service provider
Lori Clemons – Arbor Youth Services- Executive Director
- K. Guarantor
- L. Equity provider/syndicator

2. Describe what experience each member of the development team has had with affordable housing over the last 5 years. Include name and location of developments.

Arbor Youth Services provides housing services for low-income youth ages 18-24 years of age. Arbor has no prior experience with affordable housing developments.

3. Has any member of the development team ever been disbarred by the U.S. Department of Housing and Urban Development (HUD) or any state housing finance agency? If yes, please explain.

Arbor Youth Services has never been disbarred by the U.S. Department of Housing and Urban Development (HUD) or any other state housing finance agency.

4. Has any member of the development team ever had any violations that resulted in the issuance of an 8823 or other citations by a state housing finance agency. If yes, please explain.

Arbor Youth Services has received no violations.

5. In the last 5 years has any member of the development team or any entity in which a member of the development team has an identity of interest (see instructions for definition) received an award of funds and/or housing credits which have been

recaptured or in which the development was not completed? If yes, please explain.

Arbor Youth Services has never received housing credits that were recaptured.

6. Have any members of the development team ever been charged with or convicted of any criminal offenses, other than a minor motor vehicle violation?

If YES, furnish details in a separate attachment.

Members employed by Arbor Youth Services have not been convicted of Any criminal offense, other than minor motor vehicle violations.

7. Have any members of the development team been subject to any disciplinary action, past or pending, by any administrative, governmental or regulatory body?

If YES, furnish details in a separate attachment.

Arbor Youth Services has not been subject to any disciplinary actions, past or present.

8. Has any member of the development team been informed of any current or ongoing investigation of the applicant with respect to possible violations of state or federal laws?

If YES, furnish details in a separate attachment.

Arbor is not in violation of state or federal laws.

9. Has any member of the development team been a party to a bankruptcy, been in receivership or adjudicated as bankrupt?

If YES, furnish details in a separate attachment.

Arbor has not been involved in a bankruptcy, been in receivership or adjudicated as bankrupt.

10. Has any member of the development team been denied a business-related license or had it suspended or revoked by any administrative, governmental, or regulatory agency?

If YES, furnish details in a separate attachment.

Arbor has not been denied a business related license.

11. Is any member of the development team currently debarred, suspended, or disqualified from contracting with any federal, state, or municipal agency?

If YES, furnish details in a separate attachment.

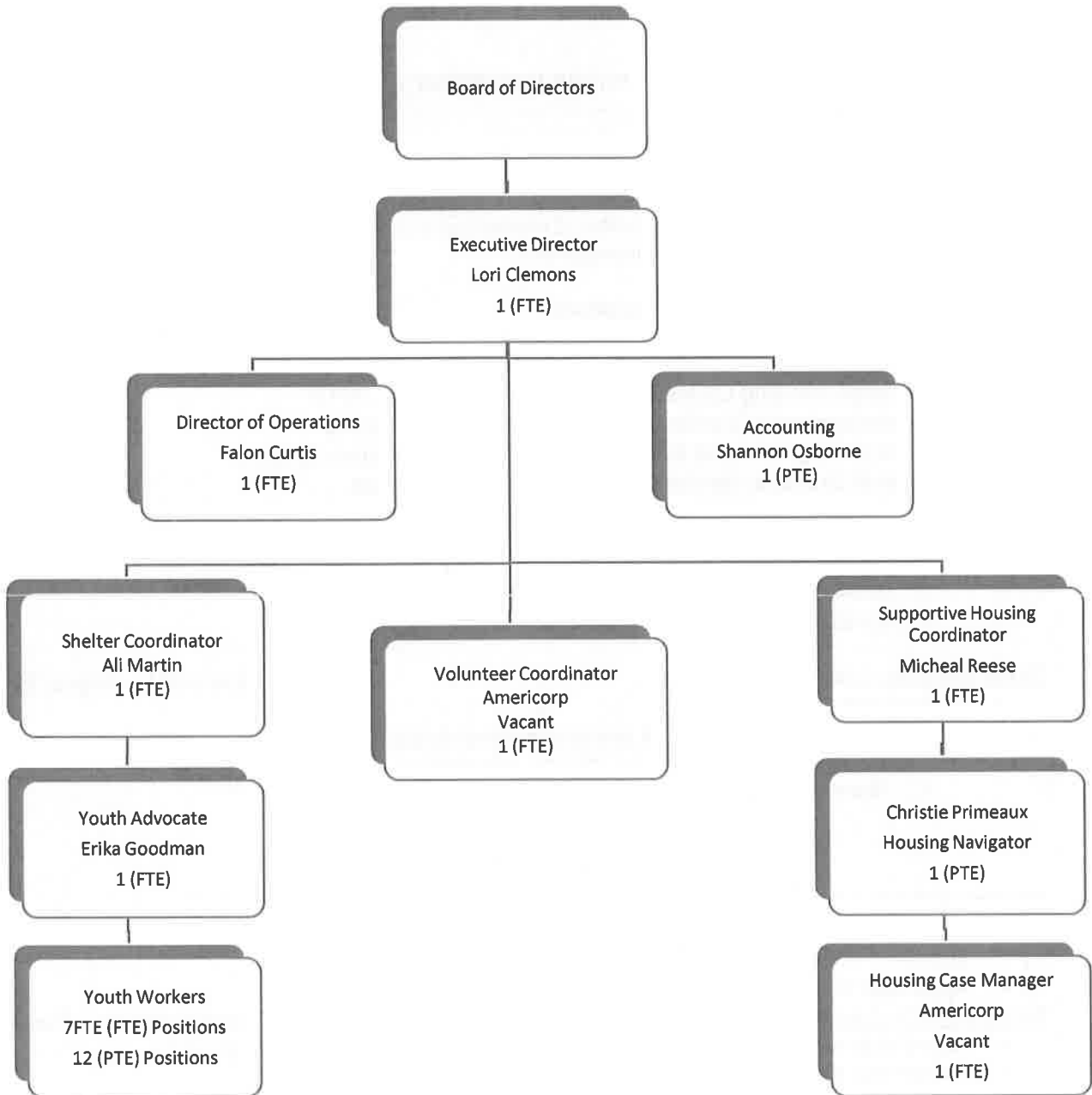
Arbor has not been disqualified from contracting with any government entity.

Include with application the financial statements and organization chart of the developer, consultant, general partner, management company, guarantor, and service provider.

Signature: Lori Clemons Date: 08/09/2018

Title: Executive Director

Arbor Youth Services Organizational Chart 2018



Lori M. Clemons
1985 Lost Trail Ln. Lexington, KY 40511
(859) 466-6156
lmc2281@gmail.com

WORK EXPERIENCE

Arbor Youth Services, Lexington, KY October 2017 – current

- Executive Director
 - Oversee all operations of youth emergency shelter and outreach center.
 - Strategic planning and institution building.
 - Development and execution of marketing and fundraising plans; donor recruitment.
 - Budget and financial management.
 - Volunteer coordinator.
 - Human resources management.

Lexington Rescue Mission, Lexington, KY September 2012 – October 2017

- AmeriCorps Housing Counselor – Sept. 2012 thru Aug. 2013
- Case Management Coordinator – Sept. 2013 thru Oct. 2013
- Director of Neighborhood Services – Nov. 2013 thru March 2016
- Director of Outreach Services – March 2016 thru present
 - Program and ministry management for multiple programs and locations.
 - Financial/budget management.
 - Staff and volunteer supervision.
 - Community networking and relations.
 - Limited event planning and coordinating.

Xerox Services, Lexington, KY November 2004 – August 2011

- Transaction Processor
 - Extensive data entry of dental insurance forms.
 - Contact clients to retrieve missing information.
 - Review processed forms, ensuring accuracy.

COMMUNITY INVOLVEMENT

Central Kentucky Homeless & Housing Initiative November 2012 – Present

- Invited to join the CKHHI executive committee in 2014 and served as secretary from 2014-2016.
- Appointed to role of chairperson in 2016.

Serve the City - Lexington October 2007 – Present

- Coordinate with community organizations and compile list of service projects.
- Market events.
- Coordinate team leaders and volunteers.
- Supervise development of events in Georgetown, KY, and Winchester, KY.

EDUCATION

University of Kentucky, Lexington, KY

- Bachelor of Science, Family and Consumer Sciences, May 2011.
- Minor: Sociology with emphasis on community leadership and development.
- Maintained 4.0 GPA within emphasis of study; graduated Magna Cum Laude

115 Rose Lane
Nicholasville, KY 40356
859-550-6211
faloncortis@gmail.com

FALON CURTIS

PROFESSIONAL SKILLS

GRANT AND BUDGET MANAGEMENT

- Award and successful maintenance of multiple federal Administration for Health and Human Services grants ranging between \$95,000 and \$195,000
- Ability to continuously obtain and manage a grant budget of no less than \$500,000 per fiscal year with diversity among federal, state, foundation and local grants.
- Ability to develop, analyze and manage organizational and program budgets.

FUNDRAISING AND DEVELOPMENT

- Assisted in the coordination of annual fundraiser and silent auction for up to 200 guests.
- Experience utilizing social media tools and maintaining agency website.
- Development of annual marketing and strategic plan.
- Coordination of annual board retreats, member recruitment and oversight of committees.

PROGRAM AND EMPLOYEE MANAGEMENT

- Ability to develop and manage multiple programs simultaneously.
- Extensive experience with all human resource aspects; including hiring, training, supervision, evaluations, coworker mediation, discipline and termination.
- Successful coordination of multiple national accreditation cycles and adherence to best practices. Continuous development and maintenance of Performance and Quality Improvement Plans.
- Extensive experience with state and federal compliance regulations and licensing standards.

WORK HISTORY

DIRECTOR OF OPERATIONS -ARBOR YOUTH SERVICES, LEXINGTON KY 40508

October 2017 - Present

INTERIM EXECUTIVE DIRECTOR – ARBOR YOUTH SERVICES

July-October 2017/ September-December 2015 / January -June 2014 / April-
July 2013

ASSOCIATE DIRECTOR – ARBOR YOUTH SERVICES

January 2014 - October 2017

GRANTS AND COMPLIANCE MANAGER – ARBOR YOUTH SERVICES

2012-2014

ADVOCATE, PROGRAM & VOLUNTEER COORDINATOR- ARBOR YOUTH SERVICES

May 2009-2012

RESIDENTIAL HOUSEKEEPER- SELF EMPLOYED

2004-2011

CUSTOMER SERVICE – WALMART, NICHOLASVILLE KY 40356

2000-2005

EDUCATION

BACHELOR OF SOCIAL WORK- UNIVERSITY OF KENTUCKY- 2009

-Course focus: Policy, criminal justice and gender studies

-Dean's List: Fall 2008/ Spring 2008/ Fall 2009

-Internships (2007-2009): Hospice of the Bluegrass; Bluegrass Home Incarceration Program and Arbor Youth Services

ASSOCIATE OF THE ARTS- BLUEGRASS COMMUNITY AND TECHNICAL COLLEGE-2007

-Pre-Social Work Program

-Internships (2006-2007) Jessamine County Victim's Advocate Program

REFERENCES

Available Upon Request

Arbor Youth Services 15 Year Cost Projection

	1 Year	15 years
Rent (FMV)		
Unit 1 -Efficiency	\$6,816.00	\$102,240.00
Unit 2 - Efficiency	\$6,816.00	\$102,240.00
Unit 3 - 1/2 bd	Office	Office
Unit 4- 1/2 bd	\$7,668.00	\$115,020.00
Unit 5- 2 bd	\$9,840.00	\$147,600.00
Unit 6 - 2 bd	\$9,840.00	\$147,600.00
TOTAL RENT	\$40,980.00	\$614,700.00
Utilites		
Gas Utility		
Units 1-2	\$876.00	\$13,140.00
Units 3-4	\$900.00	\$13,500.00
Units 5-6	\$968.00	\$14,520.00
Water Utility		
Units 1-2	\$360.00	\$5,400.00
Units 3-4	\$466.00	\$6,990.00
Units 5-6	\$550.00	\$8,250.00
Electric Utilities		
Units 1-2	\$574.00	\$8,610.00
Units 3-4	\$1,362.00	\$20,430.00
Units 5-6	\$1,814.00	\$27,210.00
TOTAL UTILITIES	\$7,870.00	\$118,050.00
Operating		
Personnel (Salary, Fica, Medical)	\$37,187.00	\$557,187.00
Direct Expenses	\$11,147.00	\$167,205.00
TOTAL OPERATING	\$48,334.00	\$724,392.00
TOTAL	\$97,184.00	\$1,457,142.00



LEXINGTON



1807 DALTON COURT

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
DEPARTMENT OF GENERAL SERVICES
200 EAST MAIN STREET, LEXINGTON, KY 40507

RENOVATION OF APARTMENT BUILDING FOR THE
DIVISION OF COMMUNITY DEVELOPMENT

BID NO. 111-2017
November 8, 2017



VICINITY MAP

SCALE: N/A

Work Specification

Prepared By:
Lexington Fayette Urban County Government
Division of Grants and Special Programs
200 East Main Street, 6th Floor
Lexington, KY 40507
(859) 258-3070

Property Details

Address:	1807 Dalton Court Lexington, KY 40505	Owner:	LFUCG; AVOL - leaseholder
Structure Type:	Multi-Unit	Owner Phone:	Cell/Mobile: (859) 967-8933
Square Feet:	1845	Program(s):	RENTAL
Year Built:	1973		
Property Value:	126500		
Tax Parcel:	13176250		
Census Tract:			
Property Zone:			

Repairs

See attached drawings for references on plans that refer to specifications example: Section N will refer to N on the plan notes.

Work Specification

Section A

REAR EXTERIOR STAIRS:

Exterior

Exterior

1. Remove existing wood stairs, handrail, guardrails, and stair components on the rear of the building.
2. Install new stairs using Treated Yellow Pine #2 or better per 2013 KRC R311. Match existing stairs in size and design. Include new stair treads and full risers using treated 5/4"x6 decking material. Secure new treads, risers, spindles, and guardrail in place using corrosion resistant deck screws, minimum #9X3" countersinking head deck screws. All new 4x4 treated posts will sit upon a galvanized post base, SIMPSON STRONG TIE ABA44Z or equal anchored into existing concrete pad with a 1/2"x5-1/2" galvanized wedge anchor bolt with galvanized washer and nut. Install guardrails to open side of stairs per 2013 KRC R312 using treated material.
3. Install smooth and graspable handrails to both sides of new stairs per 2013 KRC R311. Use treated material.
4. Seal all exposed wood surfaces of new stairs, guardrails, and handrails with two complete coats of OLYMPIC Maximum Stain + Sealant Model #57503A/01 or equal, Oil Based Transparent Stain & Seal with a minimum 4 year warranty. Close match color of existing front wood decking. Contractor is responsible for protecting all unstained surfaces and must use drop cloths during all staining and painting.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

REAR UPPER STEEL DECK:

Exterior

Exterior

5. Scrap, and sand all steel framing and guardrails on the rear upper balcony.
6. Prime all surfaces of steel framing and guardrails with two complete coats of SHERWIN WILLIAMS black oil based All Surface Enamel Oil Primer or equal. Provide a smooth and even coverage.
7. Paint all surfaces of steel framing and guardrails with two complete coats of SHERWIN WILLIAMS, or equal, oil based All Surface Enamel Oil Base paint, black with satin finish. Provide a smooth and even coverage. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all staining and painting.
8. Remove and dispose of the existing concrete on the upper rear steel deck. Install new concrete to the existing upper steel deck. New concrete will be fiber reinforced concrete, with a broom finish, and 3500 psi.
9. Prep and paint existing aluminum fluted columns and concrete column bases on rear of building with two complete coats of SHERWIN WILLIAMS Exterior Acrylic semi-gloss or equal. Close match existing color. Provide a smooth and even coverage.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Work Specification

Section B

FRONT PORCH AND HANDICAP RAMP:

Exterior

Exterior

1. Remove and dispose of the existing wood guardrails and treated 2x10 band on front porch perimeter. Detach the existing metal handrail brackets from the front porch guardrails. Detach the handicap ramp header from the existing front porch concrete pad and provide a temporary 2x4 support under the handicap ramp. Brace the temporary 2x4 supports into place. Provide temporary support posts for the front porch roof using double 2x4 posts. Remove the existing 4x4 wood columns on the front porch.
2. Remove and dispose of the existing concrete pad on the front porch. Install a new concrete pad matching the existing in size and shape. New concrete pad must have a positive slop away from the house, 1/4" per foot. New concrete will be fiber reinforced concrete, broom finish, and 3500 psi.
3. Install new treated 4x4 posts to the front porch. Match the existing post configuration. All new 4x4 treated posts will sit upon a galvanized post base, SIMPSON STRONG TIE ABA44Z or equal anchored into new concrete pad with a 1/2"x5-1/2" galvanized wedge anchor bolt with galvanized washer and nut. Secure new 4x4 posts in place using a corrosion resistant fasteners. Install fluted PVC post wrap on columns.
4. Attach existing handicap ramp header into new front porch concrete pad using three 1/2"x5-1/2" galvanized wedge anchor bolt with galvanized washer and nut. Remove temporary 2x4 supports from handicap ramp.
5. Install a new treated 2x10 band to the front porch concrete pad. Attach 2x10 band with 1/2"x5-1/2" galvanized wedge anchor bolt with galvanized washer and nut at 4' ft. on center. Install new guardrails to front porch using treated material. Match the existing size and shape. Secure guardrails and spindles in place using corrosion resistant deck screws, minimum #9X2-1/2" countersinking head deck screws. Reattach the metal handrail brackets in place with corrosion resistant screws.
6. Secure the loose 2x4 decking on the existing handicap ramp using corrosion resistant deck screws, minimum #9X3" countersinking head deck screws. Allocate for 6 loose 2x4 decking.
7. Remove and dispose of the existing treated 2x4 guardrail cap on the handicap ramp. Install new treated 2x4 guardrail cap on the handicap ramp. Allocate for the installation of 70' lf. of treated 2x4. New guardrail cap must be finished to a smooth surface free from checks, and splintering. Secure new guardrail cap in place using corrosion resistant deck screws, minimum #9X3" countersinking head deck screws.
8. Replace missing or broken treated wood spindles on front deck. Allocate for the replacement of 8 wood spindles. Secure all spindles with #9X2-1/2" countersinking head corrosion resistant deck screws. Match existing wood spindles.
9. Stain all exposed wood surfaces of handicap ramp with two complete coats of OLYMPIC Maximum Stain + Sealant, or equal, Oil Based Transparent Stain & Seal with a minimum 4 year warranty. Close match color of existing.
10. Prime metal handrail on front ramp with two complete coats of SHERWIN WILLIAMS, or equal, black oil based All Surface Enamel Oil Primer. Provide a smooth and even coverage.
11. Paint metal handrail with two complete coats of SHERWIN WILLIAMS, or equal, oil based All Surface Enamel Oil Base paint, black with satin finish. Provide a smooth and even coverage. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all staining and painting.
12. Remove all flaking paint from front porch and handicap ramp foundation walls. Remove all damaged areas of skim coat on front porch and handicap ramp foundation walls. Repair all damaged areas of skim coating with QUICKRETE Sand/Topping Mix Model #110360 or equal.
13. Paint front porch and handicap foundation walls with two complete coats of SHERWIN WILLIAMS Exterior Acrylic, Loxon Masonry Topcoat, Color: Gray Screen SW 7071 orequal.

Work Specification

Bid Cost: _____ X _____ = _____

Work Specification

Base Quantity Total Cost

Section C

EXTERIOR DRYER VENT COVER: Exterior Exterior

1. Replace all dryer vent covers with IMPERIAL 4-in Dia. Galvanized Steel R2 Exhaust Dryer Vent Hood Model # VTL0018. Secure in place and seal between house and new dryer vent cover with clear silicone.

Electrical misc.

Upgrade panels in units 5 & 6 to Square D 150 amp panels with breakers. Also in all units replace any existing receptacle that has been painted & updated with ivory 20 amp.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Section D

EXTERIOR DOORS: Exterior Exterior

1. Install new exterior doors to all 6 units. Remove existing storm doors and hardware. Keep for re-installation. Contractor is responsible for storage of storm doors and all storm door hardware. Install a RELIABILT primed 6-Panel pre-hung insulated core steel door with brass hinges Model #21683.0 or equal to each unit. Field verify size and type per each unit. Include new interior trim, match existing trim. Wrap exterior brick mold with white aluminum coil stock. Include new KWIKSET Tylo Polished Brass Tulip keyed entry door knob levered handle with keyed alike dead bolt to each unit.
2. Paint all surfaces of new exterior doors with two complete coats of SHERWIN WILLIAMS A-100 Exterior Acrylic Latex, or equal, with white satin finish. Provide a smooth and even coverage. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.
3. Install existing storm doors and all storm door hardware.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Section E

PRIVACY FENCE: Exterior Exterior

1. Remove and rebuild the stock aid fence. Using 4x4 Treated post and 6'x8' treated panels. Stain exposed wood surfaces with two complete coats of OLYMPIC Maximum Stain + Sealant Model #57503A/01 or equal, Oil Based Transparent Stain & Seal with a minimum 4 year warranty. Close match color of existing color. Contractor is responsible for protecting all unstained surfaces and must use drop cloths during all staining and painting

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Work Specification

Section F

SEWER MAIN:

Exterior

Exterior

1. Remove existing sewer main from house to street.

1. Install a new sewer line per current KY State Plumbing Code from sewer main at street to house using a 4" Schedule 40 PVC pipe. Allocate for 44' lf of sewer replacement. Include a new sewer clean out located in front yard. Have new sewer inspected. Contractor is responsible for replacement of any damage to sidewalk, handicap ramp, and front porch. Seed and straw all disturbed areas of yard.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Work Specification

Section G

PLUMBING: UNITS 5 & 6

Interior: Units 5 & 6

1. In unit 5 install a new KOHLER Toaccata 22"X33" Double-Basin Stainless Steel Drop-in 4-Hole Kitchen sink Model #R3847-4-NA or equal. Sinks are to be installed with new metal basket strainers, new brass quarter turn cutoff valves KEENEY or equal, new braided stainless steel supply lines MUELLER or equal, and new 1-1/2" plastic continuous waste lines KEENEY or equal. Seal rim at countertop with clear silicon. Install a new DELTA Collins 1-Handle Deck Mount Low-Arc Kitchen Faucet with spray assembly Model #440-DST or equal. Include a new 1-1/2" plastic dishwasher air gap with brushed nickel finish, KEENEY Model #85570K or equal.

2. In unit 6 install a new stainless steel ADA compliant kitchen sink. Use KOHLER 33"X22"X6-5/16" Double-Equal Dual-Mount Kitchen Sink with 4 Faucet holes Model #K-3996-4-NA or equal. Sinks are to be installed with new metal basket strainers, new brass quarter turn cutoff valves KEENEY or equal, new braided stainless steel supply lines MUELLER or equal, and new 1-1/2" plastic continuous waste lines KEENEY or equal. Seal rim at countertop with clear silicon. Install a new DELTA Collins 1-Handle Deck Mount Low-Arc Kitchen Faucet with spray assembly Model #440-DST or equal. Include a new 1-1/2" plastic dishwasher air gap with brushed nickel finish, KEENEY Model #85570K or equal.

Section H

3. **Remove** and install a new dishwasher in unit 5. Install a WHIRLPOOL, or equal, 55-Decibel Built-In Dishwasher. Color: black. Include new braided stainless steel 1500 psi dishwasher connector, EASTMANT Model #98523 or equal.

Section J

4. Remove and Install a new A.O. SMITH, or equal, 40 gallon gas water heater with 9 year warranty in units 5 & 6. Include new sediment trap, finger operated gas valve, water shut off valve. Have water heater i n s p e c t e d .

Section K

5. Remove and dispose of existing handicap shower unit in unit 6. Install a new AQUATIC Corornado 60"x30" Single Threshold Gelcoat Shower Pan, Model #6030SPAN-WH. Contractor will field verify for a left hand or right hand drain. Include new DELTA Linden Chrome 1-Handle WaterSense Bathtub and Shower Faucet with Mutli-Function Showerhead Model #T17293-I or equal, with a DELTA 29" Adjustable Wall Bar in Chrome Model #55083 or equal. Wall bar will be anchored in place to a solid substrate behind the tile board. Include a new 1-1/2" Schedule 30 PVC waste p trap with a new shower drain cover, OATEY PVC Shower Drain Model # 420454 or equal. Provide grab bars for handicap shower as required by the ADA standard 608.3.1. Grab bars shall be anchored in place by blocking between the stud cavities. Install 1/2" tile board to shower walls. Tape and mud all seams. Install new 4x4 white ceramic tile with white grout to shower walls. Include a ceramic soap dish. Install white mold resistant caulking to all corners and along tub/tile surface.

Section L

6. Remove and dispose of the existing tub/shower unit in unit 5. Install a new AMERICAN STANDARD Americast tub, or equal. Include chrome on brass trip lever waste and overflow (PVC waste and overflow are not acceptable). Install a new 1-1/2" Schedule 30 PVC p trap. Install a new brass DELTA or equal waterless faucet with scald guard protection and tub and shower combination valves (plastic faucets are not acceptable). Install 1/2" tile board to shower walls. Tape and mud all seams. Install new 4x4 white ceramic tile with white grout to shower walls. Include a ceramic soap dish. Install white mold resistant caulking to all corners and along tub/tile surface.

Section M

7. Remove and dispose of existing toilet in unit 6. Install a new white 18" AMERICAN STANDARD Cadet, or equal, toilet. Include new brass quarter turn shut off valve, braided stainless steel supply line, wax ring, and new closet bolts. Provide new grab bars as required by ADA standards 604. Grab bars shall be securely anchored in place.

8. Remove and dispose of existing toilet in unit 5. Install a new white AMERICAN STANDARD Cadet, or equal, toilet. Include new brass quarter turn shut off valve, braided stainless steel supply line, wax ring, and new closet bolts

8. Remove sections of drywall ceiling in units 5 & 6 to access tub drains in units 1,2,3,&4.

Work Specification

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Work Specification

Section N

PLUMBING/DRAIN REPLACEMENT: UNITS 5 & 6

Interior: Units 5&6.

1. Remove and dispose of existing kitchen base cabinets, counter tops, kitchen sinks, and faucets in units 5 & 6.

In unit 5 install new ARMSTRONG Echelon; Salerno Slab series, pre-finished Nutmeg, or equal base and wall cabinets. Include matching pre-finished kick plates, crown molding, fillers, and spacers. Install BRAINERD Circus Satin Nickel Round Cabinet Knobs Model #P18992W-SN-R or equal to all cabinet doors and functioning drawer fronts.

KITCHEN CABINETS AND COUNTERTOP: UNITS 5 & 6

Interior: Units

1. In unit 6 install new ARMSTRONG Echelon; Salerno Slab series, pre-finished Nutmeg, or equal base and wall cabinets. Include matching pre-finished kick plates, crown molding, fillers, and spacers. Install BRAINERD Circus Satin Nickel Round Cabinet Knobs Model #P18992W-SN-R or equal to all cabinet doors and functioning drawer fronts. The kitchen sink in unit 6 will be compliant to the ADA Standards 305 & 606 and contain a wheelchair accessible sink. Provide an apron under the sink countertop. Apron must match the finish of new kitchen cabinets and be constructed of solid wood. All exposed plumbing under kitchen sink must be wrapped in molded ADA under lavatory protector.

2. Install new FORMICA Midnight Stone Etchings Model #011358011096280-46 post form laminated kitchen countertop with 4" integral back splash in units 5 & 6. . Include end caps. Support all blind corners with a wall mounted ledger strip. Caulk gaps between back splash and wall. Include sealed side splash at sidewalls. All joints must be level and smooth. Seal between kitchen sink and countertop with clear silicone caulking.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Section P

INTERIOR WALL REPAIR: UNITS 5 & 6

Interior: Units 5 & 6

1. Repair all damaged drywall to walls and ceilings in units 5 & 6 to a smooth and level finish. Prime all areas of repair with two full coats of SHERWIN WILLIAMS Acrylic white Drywall Primer or equal.

2. Install 1/2" drywall to all areas of the plumbing walls that were removed to gain access to drain lines in units 5 & 6. Mud and tape all joints and seams. All new drywall will be finished smooth, and level. Prime all new drywall with two full coats of SHERWIN WILLIAMS Acrylic white Drywall Primer or equal.

3. Paint all ceilings in units 5 & 6 with two complete coats of SHERWIN WILLIAMS acrylic white flat or equal ceiling paint. Provide a smooth and even coverage to all surfaces. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.

4. Paint all walls in units 5 & 6 with two complete coats of SHERWIN WILLIAMS Acrylic flat or equal. Close match existing wall color. Provide a smooth and even coverage to all surfaces. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.

5. Paint all interior doors and interior trim in units 5 & 6 with two complete coats of SHERWIN WILLIAMS Acrylic semi-gloss white or equal. Provide a smooth and even coverage to all surfaces. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Work Specification

Section Q

KITCHEN APPLIANCES: UNITS 5 & 6

Appliances: Units 5 & 6

1. In unit 5, Remove and dispose of the existing cooking range in . Install new WHIRLPOOL Freestanding 4.8- cu ft Self-Cleaning Electric, (color: black), or equal, cooking range.
2. In unit 6 install a black GE Freestanding 5-cu ft Self-Cleaning Electric Range model #JB450DFBB or equal with front panel controls.
3. In unit 6 provide a new double light switch to operate the range exhaust hood. One switch shall operate the exhaust hood light and the second switch shall operate the exhaust hood fan. New switch will be located within the vicinity of the kitchen stove and shall be a 29"-48" above the finished floor.

Section R

4. In unit 6 remove the existing smoke detectors. Install new inter connected KIDDE 120VAC Dual Mode Strobe Light Smoke detectors model #SL177i or equal. Install one in each bedroom and one in the hallway outside of the bedrooms.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Section S

2. Cut out and remove section of concrete floors in units 5 & 6 to expose the existing main house drain in units 5 & 6. Remove the bottom 4' ft. section of drywall of all plumbing walls to expose existing drain lines.
3. Remove and dispose of existing main house drain. Install a new main house drain using 3" Schedule 40 PVC per current Ky State Plumbing Code. Connect new main house drain to new exterior sewer. Have new main house drain inspected.

Section T

4. Remove and install all new fixture drains in units 5 & 6 to new house drain per current Ky State Plumbing Code. All new fixture drain lines will be Schedule 40 PVC. Contractor will install 1-1/2" drain lines to all sinks and tubs, 3" drain line to all floor drains and toilets, and 2" drain line to washing machine and showers.
5. Replace concrete floor removed to expose main house drain. New concrete must be finished smooth, level with existing floor, and 3500 psi with fiber reinforcement.

Bid Cost: _____ X _____ = _____
Base Quantity Total Cost

Work Specification

Section U

FLOOR COVERING: UNITS 5 & 6

Interior: Units 5 & 6

1. Remove all existing floor covering and all existing quarter round molding in units 5 & 6.
2. Install new vinyl flooring in units 5 & 6. Allocate for the installation of 1845' sf. Install SHAW 14-Piece 5.9"X48" Resort Teak Locking Luxury Vinyl Plank or equal per manufacturers specifications. New flooring must be laid smooth and fit neatly against tub, baseboards, and door casings. New vinyl flooring must be installed continuously throughout units 5 & 6 without breaks or transition strips. New vinyl flooring must be laid under hot water heater, toilets, and bathroom sinks. Apply a continues caulking to new vinyl flooring around tubs and door casings with mildew resistant latex caulking. Close match color of caulking with new vinyl flooring.
3. Install new primed 3/4"quarter round molding in units 5 & 6. Paint with two complete coats of SHERWIN WILLIAMS Acrylic Semi-gloss white or equal paint.

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Section V

FLOORING: UNITS 1,2,3, &4

Interior: Units 1,2,3,4

1. In units 1,2,3, &4. Remove existing floor covering in the bathrooms down to exposed subfloor. Allocate for the repair of 32'sf of subfloor repair in each unit and repair damaged subfloor as needed. New subfloor shall be glued and screwed into place. Provide blocking as needed for new subfloor installation. New subfloor must be smooth and level with existing subfloor. Install new 1/4" underlayment per manufacturer's specifications. Install new ARMSTRONG Flooring Pickwick Landing Gray Brown Stone Low-Gloss model # G1085401 or equal vinyl sheet flooring in all bathrooms. New vinyl flooring must fit neatly, and be caulked around all tubs, and door casing. Install painted 3/4" quarter round molding. Paint new quarter round with two complete coats of SHERWIN WILLIAMS Acrylic Semi-gloss white or equal paint. Include new wax rings for all toilets.

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Work Specification

Section W

PLUMBING: UNITS 1,2,3,& 4

Interior: Units 1,2,3,& 4.

1. Remove and Install a new A.O. SMITH, or equal, 40 gallon gas water heater with 9 year warranty in unit 4. Include new sediment trap, finger operated gas valve, water shut off valve. Have water heater inspected.

2. Remove and dispose of the existing tub/shower unit in units 1,2,3, & 4. Install a new AMERICAN STANDARD Princeton 5' ft. Americast Bathtub in white Model #2392.202.020, or equal. Contractor will field verify for left hand or right hand drain. Include chrome on brass trip lever waste and overflow (PVC waste and overflow are not acceptable). Install a new 1-1/2" Schedule 30 PVC p trap. Install a new brass DELTA Foundations Single-Handle 1-Spray Tub and Shower Faucet in Chrome Model #B114900 or equal. Install 1/2" tile board to shower walls. Tape and mud all seams. Install new 4x4 white ceramic tile with white grout to shower walls. Include a ceramic soap dish. Install white mold resistant caulking to all corners and along tub/tile surface.

3. In units 1,2,3,4 remove and dispose of the existing kitchen sinks. Install new 8" deep stainless steel sinks, match existing sink size. Sinks are to be installed with new metal basket strainers, new brass quarter turn cutoff valves KEENEY or equal, new braided stainless steel supply lines MUELLER or equal, and new 1-1/2" plastic continuous waste lines KEENEY or equal. Seal rim at countertop with clear silicon. Install a new DELTA Collins 1-Handle Deck Mount Low-Arc Kitchen Faucet with spray assembly Model #440-DST or equal.

6. Repair all damaged drywall to walls and ceilings in units 5 & 6 to a smooth and level finish. Prime all areas of repair with two full coats of SHERWIN WILLIAMS Acrylic white Drywall Primer or equal.

$$\text{Bid Cost: } \frac{\text{Base}}{\text{Quantity}} \times \text{Quantity} = \text{Total Cost}$$

KITCHEN APPLIANCES: UNITS 1,2,3, & 4

Units 1,2,3,4

1. In units 1,2,3,4 remove and dispose of existing refrigerators. Install new black FRIGIDAIRE 20.4 cu-ft Top-Freezer model #FFTR2021TB refrigerators with reversible handles in units 1,2,3,4. Field verify new fridge size before installing.

2. In units 1,2,3,4 remove and dispose of the existing stoves. Install new black PREMIER Freestanding 2.4cu-ft Electric Range model #EAK220BP or equal in each unit. Field verify new stove size before ordering.

$$\text{Bid Cost: } \frac{\text{Base}}{\text{Quantity}} \times \text{Quantity} = \text{Total Cost}$$

Section Y

HVAC: UNITS 1 & 2

Units 1, & 2

1. Remove and dispose of the existing split system heat pumps and wall mount vent systems. Install new CARRIER Split system heat pump model #MFQ121 or equal to units 1 & 2. New units must include a wireless remote control.

Patch & fill in all old supply vents & returns. Patch with 1/2" drywall in units 1 & 2 to a smooth and level finish. Prime all areas of repair with two full coats of SHERWIN WILLIAMS Acrylic white Drywall Primer or equal.

$$\text{Bid Cost: } \frac{\text{Base}}{\text{Quantity}} \times \text{Quantity} = \text{Total Cost}$$

Work Specification

Section V

INTERIOR WALL REPAIR: UNITS 1,2,3, & 4

Units 1,2,3,4

1. Repair all drywall damage to walls and ceiling in all rooms in units 1,2,3,4. Prime all areas of repair with two full coats of SHERWIN WILLIAMS Acrylic white Drywall Primer or equal.
2. Paint all ceilings in units 1,2,3,4 with two complete coats of SHERWIN WILLIAMS acrylic white flat or equal ceiling paint. Provide a smooth and even coverage to all surfaces. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.
3. Paint all walls in units 1,2,3,4 with two complete coats of SHERWIN WILLIAMS Acrylic flat or equal. Close match existing wall color. Provide a smooth and even coverage to all surfaces. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.
4. Paint all interior doors and interior trim in units 1,2,3,4 with two complete coats of SHERWIN WILLIAMS Acrylic semi-gloss white or equal. Provide a smooth and even coverage to all surfaces. Contractor is responsible for protecting all unpainted surfaces and must use drop cloths during all painting.

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Section W

FOUNDATION & BRICK:

Exterior

Exterior

1. Scrap and remove all flaking and damaged paint from foundation wall on right side of house. Paint foundation wall with two complete coats of SHERWIN WILLIAMS Exterior Acrylic, Loxon Masonry Topcoat, Color: Gray Screen SW 7071 or equal.
2. Seal the area around all penetrations thru the exterior of the building with mortar. Close match existing color or mortar.
3. Add any missing concrete splash blocks or tie into drain tiles at all downspouts.

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Work Specification

PARKING LOT:

Parking lot

Exterior

1. Remove and dispose of existing concrete parking bumpers.
2. Fill all existing cracks in parking lot with an elastic rubberized compound, BLACK JACK Speed Fill Model # 6438-9-34 or equal.
3. Repair all damaged or missing asphalt to parking lot with QPR Asphalt Patch Model #MRN12 or equal. All repairs must be smooth and level prior to sealing.
4. Seal parking lot with a rubberized blacktop sealer, BLACK JACK Ultra-Max 1000 Model #6455-9-30 or equal. Seal entire asphalt parking lot with one full coat.
5. Mark all parking stalls, and handicap symbol. Match existing locations of all stalls, lines, and symbols. Use a high visibility reflective paint for typical stall marking.
6. Install new rubber parking bumpers at all parking stalls such as PREMIUM RUBBER WHEEL STOPS sku #3YW3136. New parking bumpers will be yellow, length 72", height 4", width 6". Anchor new parking bumpers into place with rebar spikes or corrosion resistant fasteners.
7. Scrap and paint existing steel bollards with one complete coat of white SHERWIN WILLIAMS All Surface Enamel Oil Base or equal.

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Section X

HANDICAP RAMP:

Parking lot

Exterior

1. Repair all damaged or missing asphalt to handicap ramp and walk with QPR Asphalt Patch Model #MRN12 or equal. All repairs must be smooth and level prior to sealing.
2. Fill all existing cracks in handicap ramp and walk with an elastic rubberized compound, BLACK JACK Speed Fill Model # 6438-9-34 or equal.
3. Seal parking lot with a rubberized blacktop sealer, BLACK JACK Ultra-Max 1000 Model #6455-9-30 or equal. Seal entire asphalt parking lot with one full coat.

$$\text{Bid Cost: } \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

Base Quantity Total Cost

Certification

Contractor Name:

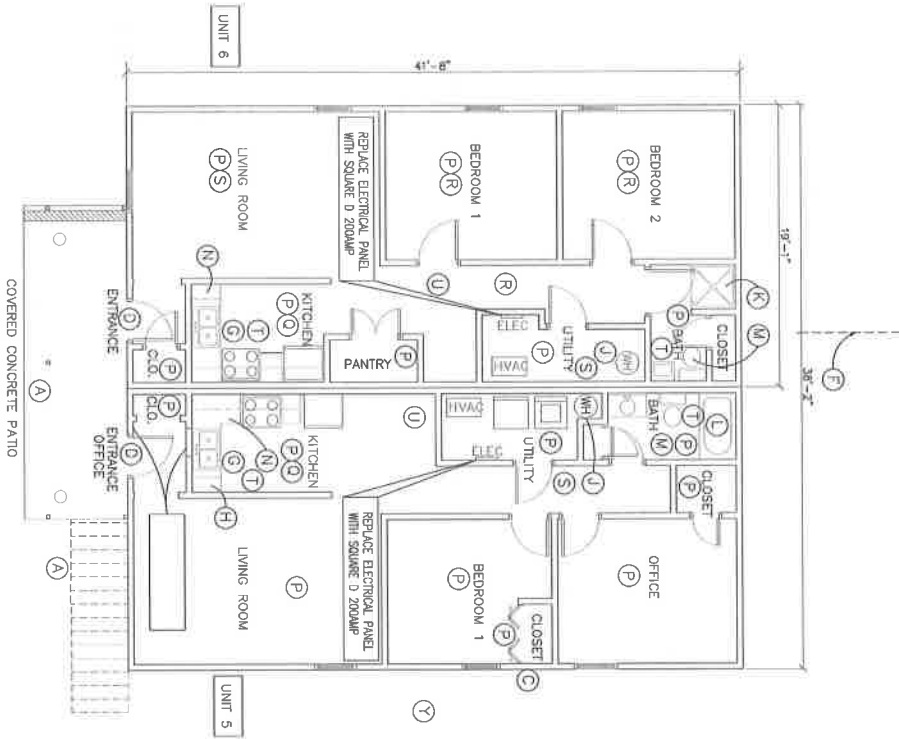
Total Cost:

Signature:

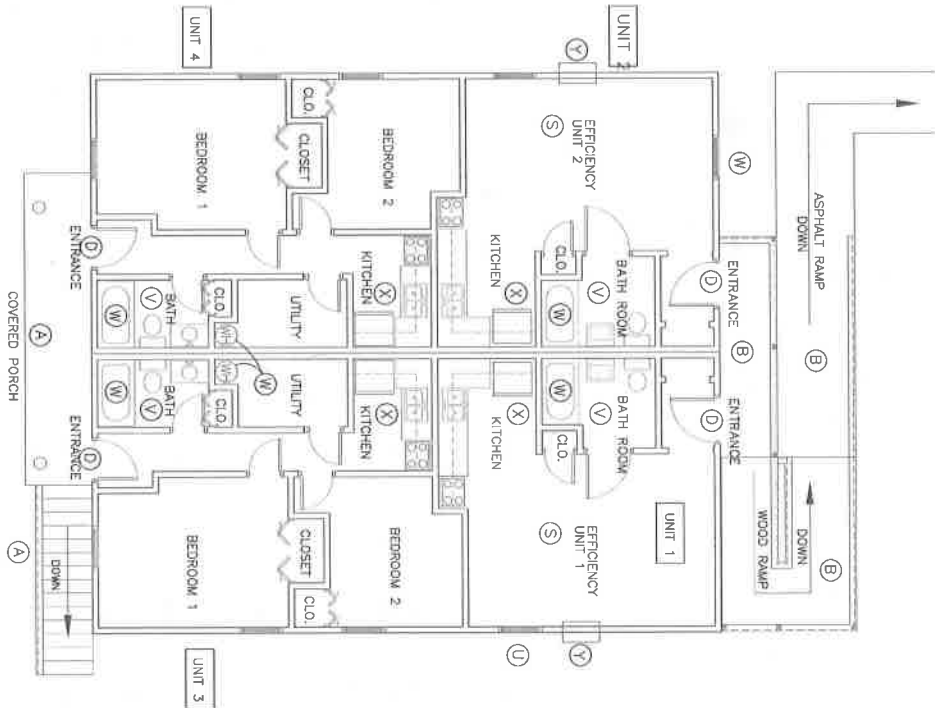
Date:

DALTON COURT

DALTON COURT



Lower Floor Plan



Upper Floor Plan

- NOTES:
1. REFER TO TECHNICAL SPECIFICATIONS FOR REFERENCE
 2. REFER TO ALL SPECIFICATIONS BECAUSE NOT ALL ARE SHOWN ON THIS PLAN

INSTALL NEW UNIT NUMBER SIGN ON EACH UNIT DOOR, 5'-0" HIGH, AND INSTALL NEW BUILDING ADDRESS SIGN ON THE SIDE CENTERED BETWEEN UNITS 1 & 2 AND 10 ABOVE THE COVERED PORCH - HEIGHT TO BE COORDINATED WITH OWNER

SHEET NO. **A-1**

DATE: 11/2/2017
 DRAWN BY: JIM POWELL
 CHECKED BY: MARK A. ARNOLD
 APPROVED BY:

Proposed Renovations
 Department of Community Development
 1807 Dalton Court
 Lexington, KY 40505



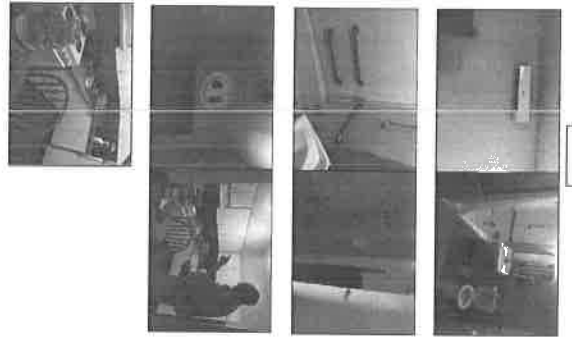
LEXINGTON

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
 DIVISION OF FACILITIES & FLEET MANAGEMENT
 200 EAST MAIN STREET, LEXINGTON, KY 40507
 PHONE (608)425-2231 FAX: (609)367-4840



www.lexingtonky.gov

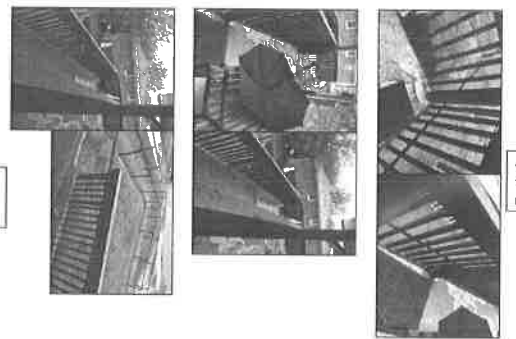
UNIT 1



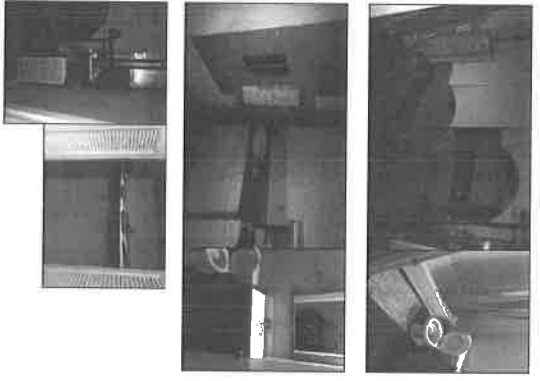
UNIT 2



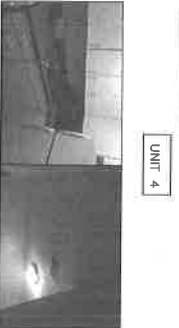
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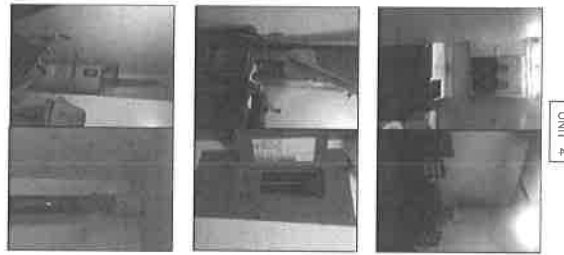
UNIT 3



UNIT 4



UNIT 4



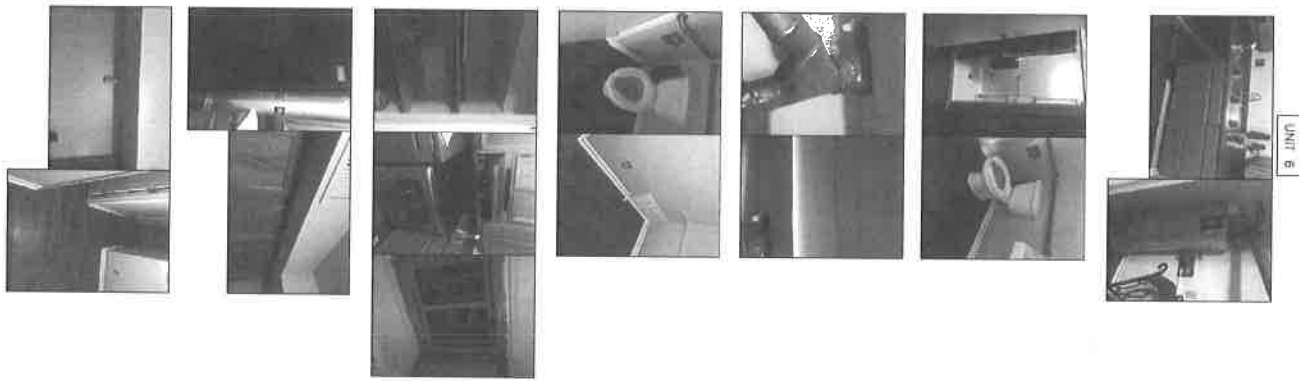
UNIT 5



UNIT 5



UNIT 6



A-2

SHEET NO:

DATE: 11/3/2017
DRAWN BY: [Name]
CHECKED BY: [Name]
APPROVED BY: [Name]

Proposed Renovations
Department of Community Development
1807 Dalton Court
Lexington, KY 40505
Reference Photographs



LEXINGTON

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
DIVISION OF FACILITIES & FLEET MANAGEMENT
200 EAST MAIN STREET, LEXINGTON, KY 40507
PHONE (609)425-2331 FAX:(609)367-4946



www.lexingtonky.gov

EXHIBIT B
(COMMITMENT LETTER)

MAYOR JIM GRAY



LEXINGTON

RICHARD MCQUADY
DIRECTOR
AFFORDABLE HOUSING

August 23, 2018

Ms. Lori Clemons, Executive Director
Arbor Youth Services
536 West Third Street
Lexington, KY. 40508

Dear Ms. Clemons,

The Board of Directors of the Affordable Housing Fund has allocated \$250,000 for the rehabilitation of property located at 1807 Dalton Court, Lexington, KY. 40505. This allocation is in the form of a 15 year deferred loan with no repayment as long as the property remains for use by Arbor Youth Services to provide housing and services to youth between 18 and 24 years of age. This allocation is contingent upon Arbor Youth Services agreeing to the following:

1. Acceptance of a 15 year deed restriction on the property located at 1807 Dalton Court, Lexington, KY, 40505. This deed restriction will require that all units must be leased to households whose household income is at or below 80% of area median income.
2. A final rehabilitation plan, underwriting model and description of services is provided to the Office of Affordable Housing prior to closing.
3. Approval of the transfer of the property to Arbor Youth Services by the City Council of Lexington-Fayette Urban County Government.

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: *Lori Clemons*



EXHIBIT C
(SECURITY DOCUMENTS)

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
FORGIVABLE LOAN PROMISSORY NOTE**

\$250,000.00

February ^{28th} 2019

FOR VALUE RECEIVED, **ARBOR YOUTH SERVICES**, a Kentucky non-profit corporation, whose principal address is 536 West Third Street, Lexington, Kentucky 40508 (the "Maker") promises to pay to **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ("LFUCG")**, an urban county government created pursuant to KRS Chapter 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507, its successors and assigns, the principal sum of **TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00)** or lesser amount as may be endorsed on this Forgivable Promissory Note on behalf of LFUCG, at the rate of zero percent (0%) per annum.

A. Payments shall be required as follows:

1. Interest on the outstanding principal *calculated in the manner set forth below* shall be due and payable in arrears on the 1st day of each month beginning on March 1, 2019 and continuing on the *first* day of each succeeding month thereafter until the principal balance shall be paid in full.
2. Unless otherwise agreed to in writing, or otherwise required by applicable law, payments shall be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid costs or charges, provided however, upon an Event of Default, LFUCG reserves the right to apply payments in its sole discretion;
3. Any payment due under this Note on a day which is not a business day shall be made on the succeeding business day and any resulting extension of time shall be included in the computation of the interest payment amount.
4. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed.
5. Subject to Paragraph B below, the entire principal balance, together with all interest accrued and unpaid thereon and all other sums due under this Note shall be due and payable on March 1, 2034, (the "Maturity Date").

B. However, so long as the Maker does not commit or participate in any event of breach or default as defined in Sections 5.1 and 5.2 of the Loan Agreement, and if such event of breach or default has occurred without cure or continues to occur without cure under the Maker's ownership, the Maker's obligation to pay the principal of this Forgivable Loan Promissory Note shall be forgiven. The Loan shall be forgiven as follows:

1. 1/15th of the above-stated principal sum shall be forgiven beginning on March 2020 and each year thereafter for each full year during the Affordability Period.

2. The entire principal sum shall be forgiven in full on March 1, 2034, as long as all terms and conditions of all Loan Documents have been satisfactorily complied and fulfilled.

If any payment required under this Note is not paid within ten (10) days after such payment is due, the undersigned will pay to LFUCG or the subsequent holder of this Note a late charge equal to five percent (5%) of the amount of such payment or Twenty-five Dollars (\$25.00), whichever is greater, up to a maximum of One Thousand Five Hundred Dollars (\$1,500.00) per late charge to compensate LFUCG for administrative expenses and other costs of delinquent payments. This late charge may be assessed without notice, shall be immediately due and payable and shall be in addition to all other rights and remedies available to LFUCG.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Commitment Letter (the "Commitment Letter") dated August 23, 2018, and a Loan Agreement between the undersigned and LFUCG ("Loan Agreement"), of even date herewith, providing a forgivable loan of **TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00)** and this Note is expressly subject to and will be bound by the terms and conditions set forth in such Commitment and Loan Agreement as if all of such terms and conditions were expressly set forth herein. Terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement, Mortgage and any other agreement related to the Loan (collectively, "Loan Documents").

If (1) any installment of interest or the payment of principal required by this Note remains unpaid for more than 10 days after the due date thereof, (2) the undersigned or any guarantor should be the subject of any voluntary or involuntary bankruptcy, receivership or other insolvency proceeding, (3) the undersigned fails to observe or perform any of the terms of this Note or (4) there is any default by undersigned under the Loan Agreement, the Mortgage or any other document, instrument or agreement providing any security for this Note, then, in any of those events, LFUCG or the holder of this Note may declare the remaining principal balance of this Note (or so much thereof as may have been advanced) to be immediately due and payable. In the event of default under this Promissory Note, interest shall accrue on the entire unpaid balance at a rate of twelve percent (12%) per annum from the date the default is declared until the default has been cured.

Any waiver of any default hereunder or under the instruments securing this Note at any time will not, at any other time, constitute a waiver of the terms of this Note or the instruments securing it, and the acceptance of payments upon the indebtedness evidenced hereby will not constitute a waiver of the option of LFUCG or the holder of this note to accelerate repayment of the entire unpaid balance, unless LFUCG or the holder expressly grants such waiver in writing.

This Note is also secured by and is the same Note mentioned in a real estate Mortgage of even date herewith executed in favor of LFUCG by the undersigned for the real estate located at 1807 Dalton Court, Lexington, Kentucky, and this Note is expressly made subject to and will be bound by the terms and conditions set forth in said Mortgage as if all of such terms and conditions were expressly set forth herein. All sums which shall or may become due and payable by the Maker in accordance with the provisions of this Note shall be deemed to constitute additional interest on, and shall be evidenced by this Note, shall be secured by the

Mortgage and the other Loan Documents.

The undersigned and all persons now or hereafter liable, whether primarily or secondarily, for the whole or any part of the indebtedness evidenced by this Note jointly and severally:

(a) agree to remain and continue to be responsible for the payment of the principal of and interest on this note notwithstanding any extension or extensions of time of the payment of the principal or interest, or any change or changes by way of release or surrender of any collateral, real or personal, held as security for the payment of this Note, and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of any such persons;

(b) waive presentment, notice of dishonor, protest, notice of protest and diligence in collection and all exemptions, whether homestead or otherwise, to which they or any of them may now or hereafter be entitled under the laws of Kentucky or any other state; and

(c) agree, upon default, to pay all costs of collection, securing or attempting to collect or secure this Note, including a reasonable attorney's fee, whether same be collected or secured by suit or otherwise, providing the collection of such costs and fees is permitted by applicable law.

This Note may be assigned in whole or in part by LFUCG or any other holder hereof.

The undersigned may prepay the principal amount outstanding in whole or in part at any time without penalty.

The Maker (and the undersigned representative(s) of the Maker) represents that the Maker has full power, authority and legal right to execute and deliver this Note and that this Note constitutes a valid and binding obligation of the Maker.

This Note will be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

The undersigned shall have no personal liability under this note or any other Loan Document for the repayment of the indebtedness evidenced by this note or for the performance of any other obligations of the undersigned under the Loan Documents (collectively, the "Indebtedness"), and LFUCG's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be LFUCG's exercise of its rights and remedies under the Loan Documents with respect to the Premises (as defined in the Mortgage) and any other collateral held by LFUCG as security for the Indebtedness. This limitation on the undersigned's liability shall not limit or impair LFUCG's enforcement of its rights against any indemnitor or guarantor pursuant to any agreement of indemnity or guaranty. Notwithstanding the foregoing provisions, the undersigned shall be fully and personally liable for damages to LFUCG resulting from (i) the undersigned's fraud or misrepresentation, whether affirmative or by omission; (ii) the misapplication of (a) proceeds of insurance covering any portion of the Premises, or (b) proceeds of condemnation of any portion of the Premises or proceeds from the sale or conveyance of any portion of the Premises in lieu of condemnation; (iii) all reasonable costs and expenses including court costs and reasonable attorney's fees incurred in collecting any of the foregoing.

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AFFORDABLE HOUSING FUND
MORTGAGE**

This **MORTGAGE** ("Mortgage"), is made and entered into this 27 day of February 2019 by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created pursuant to KRS 67A, whose principal address is 200 East Main Street, Lexington, Kentucky 40507 (herein "LFUCG") through its **OFFICE OF AFFORDABLE HOUSING**, and **ARBOR YOUTH SERVICES**, a Kentucky non-profit corporation, whose principal address is 536 West Third Street, Lexington, KY 40508 (herein "Mortgagor").

WITNESSETH:

Mortgagor hereby recites and agrees as follows, which recitations and agreements constitute a part of this Mortgage:

WHEREAS, Mortgagor is indebted to LFUCG for monies loaned or to be loaned to Mortgagor under the terms of a commitment letter dated August 23, 2018, and accepted by Mortgagor and an Affordable Housing Fund Loan Agreement (the "Loan Agreement") of even date herewith, between Mortgagor and LFUCG providing for an Affordable Housing Fund Mortgage Loan in the amount of **TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00)**, (the "Mortgage Loan "); and

A. Mortgagor has determined that it is to Mortgagor's direct and indirect economic benefit that LFUCG make the Mortgage Loan to Mortgagor, and therefore have agreed to execute and deliver this Mortgage in order to secure repayment of the Mortgage Loan.

Terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement.

NOW, THEREFORE, MORTGAGOR, in consideration of the Mortgage Loan, hereby conveys to LFUCG, with covenant of general warranty all of Mortgagor's right, title and interest in and to certain real estate located in Fayette County, Kentucky (more particularly described in Exhibit A attached hereto and incorporated herein by reference) (the "Property");

TOGETHER with all privileges and appurtenances thereunto belonging, Mortgagor's interest as lessor in any leases affecting the premises, and all revenues, rents, issues and profits from the premises (whether payable under a lease or otherwise), and all the estate, right, title and interest of Mortgagor, at law or in equity, of, in and to the Mortgagor's leasehold interest in the Property herein described, and every part thereof; and together with all buildings and improvements now existing or hereafter constructed or placed thereon; and together with all heating, ventilating, and air conditioning equipment relative thereto and all fixtures, now or hereafter located in or upon or affixed to the Property, and all machinery, apparatus, equipment and articles of personal property of every kind and description belonging to Mortgagor, now or hereafter located in or upon or affixed to the Property, all of which are and shall be a part of said Property and a portion of the security for the Mortgage Loan ; and together with all insurance or

condemnation proceeds accruing or arising or relative to any of the foregoing during the term of this Mortgage;

ALL the foregoing property, interests and rights encumbered by this Mortgage are hereafter collectively referred to as the "Premises".

TO HAVE AND TO HOLD the Premises with the privileges and appurtenances thereunto belonging, and all rents, revenues, issues and profits therefrom, unto LFUCG, its successors and assigns, forever, for the uses and purposes herein expressed. Mortgagor covenants that Mortgagor is well seized of the Premises and each portion thereof, and has full right and power to grant, bargain, sell, convey, mortgage and warrant the Mortgagor's interest in the same in the manner and form written. Mortgagor represents and warrants to LFUCG that the granting of this Mortgage has been and is duly authorized. Mortgagor covenants that the Premises are free from all liens and encumbrances whatsoever, excepting; (i) the lien of general taxes not yet due and payable, easements and restrictions of record, and restrictions and zoning laws affecting the Premises, if any; (ii) Permitted Encumbrances (as hereinafter defined); and (iii) any leases as may now or hereafter affect any portion of the Premises. Mortgagor warrants and will defend the Premises, with the privileges and appurtenances thereunto belonging, to LFUCG, its successors and assigns forever, against all claims and demands whatsoever adverse to the interest of LFUCG, at Mortgagor's sole expense.

THIS MORTGAGE is given to secure: (a) Payment of the Mortgage Loan , same being evidenced by a promissory note (hereafter the "Note") of even date herewith and any modifications, extensions or renewals thereof, executed and delivered by Mortgagor to LFUCG, in the principal amount of **TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00)**, and payment of interest thereon at the rate(s) and in the manner provided therein; the entire principal amount advanced and all interest thereon, if not sooner paid, being due and payable by Mortgagor on March 1, 2034, as more particularly described in the Note; and (b) payment by Mortgagor of its obligations to LFUCG of all sums expended or advanced by LFUCG pursuant to any provisions and performance of each and every of LFUCG's and Mortgagor's respective covenants, conditions and agreements contained in this Mortgage, the Note, the Mortgage Loan Agreement and any other instrument or agreement evidencing, securing or otherwise pertaining to the Mortgage Loan (hereafter collectively, the "Mortgage Loan Documents"). (Hereafter all references to the "Mortgage Loan" where appropriate shall include all advances made and expenses incurred by LFUCG pursuant to this Mortgage for the protection of the Premises and all other security for the Mortgage Loan).

AND MORTGAGOR, AND EACH OF THEM, AND WHEN AND AS APPLICABLE, HEREBY COVENANTS AND AGREES THAT:

1. Mortgagor agrees to pay the principal of and interest on the Mortgage Loan evidenced by the Note and secured hereby, to be paid at the times and in the manner provided in the Note.
2. Mortgagor will pay or will have paid all taxes, assessments, and other similar charges levied upon the Premises before the same become delinquent, and will promptly deliver to LFUCG, if requested, receipts of the proper officers therefor; Mortgagor's failure to pay or to have paid any such charges shall at LFUCG's election constitute a default hereunder. Or, at

LFUCG's sole option in the event of delinquency, LFUCG may pay such delinquent taxes, assessments, and charges, including any penalties or interest thereon (of which payment, amount and validity thereof, the receipt of the proper officer shall be conclusive evidence) and any amount so paid by LFUCG shall become immediately due and payable by Mortgagor, shall be secured by this Mortgage and shall bear interest from date of advance until paid at an annual rate equal to twelve percent percent (12%).

3. Mortgagor hereby assigns to LFUCG all leases and rents, revenues, issues and profits of the Premises (whether or not payable under a lease) as further security for the payment of all amounts by Mortgagor and performance of all Mortgagor's obligations under the Mortgage Loan Documents, and grants LFUCG the right to enter on the Premises for the purpose of collecting same, and to promote, manage and/or operate the Premises or any part thereof in such manner as LFUCG may elect, and to apply the revenues received therefrom, after payment of all necessary charges and expenses, to the obligations secured by this Mortgage, upon Mortgagor's default under any covenants, conditions, or agreements contained in the Note, herein or in any other Mortgage Loan Document. While this is a present assignment, LFUCG will not exercise its rights hereunder unless and until Mortgagor shall be in default hereunder or Mortgagor shall be in default under any other Mortgage Loan Document. Mortgagor shall, and hereby agrees that it will, indemnify LFUCG, its officers, agents and employees for and hold each of them harmless from any and all claims and demands whatsoever which may be asserted against LFUCG, its officers, agents or employees by reason of any actual or alleged undertakings or obligations on LFUCG's part to perform or discharge any terms, covenants or agreements relative to use or occupancy of the Premises or any part thereof or for waste committed or permitted on the Premises, or by reason of any actual or allegedly dangerous or defective condition or conditions of the Premises resulting in loss or injury to any lessee or to any other person, including LFUCG's reasonable costs and attorney's fees incurred by reason of any of the foregoing. Provided, that said obligation to indemnify LFUCG shall not apply to any loss, injury or damage caused by the gross negligence or willful misconduct of LFUCG, its officers, agents or employees.

4. Mortgagor, at its own expense will maintain with admitted insurers authorized to do business in the Commonwealth of Kentucky against claims for bodily injury, personal injury, death or property damage occurring on, in or about the Premises or as a result of ownership of the improvements located on the Premises in amounts not less than as set forth in the Mortgage Loan Agreement. Mortgagor further covenants to keep the improvements now existing or hereafter erected on or in the Premises insured against loss or damage by, or abatement of rental income, resulting from fire and "all risk" perils. All perils insured shall be in an amount not less than the full replacement value of the property. Mortgagor agrees to promptly pay or have paid when due all premiums on such insurance and further agrees, if requested by LFUCG, to furnish a certificate from the company carrying such insurance acknowledging that such insurance is adequate in an amount to prevent the operation of any coinsurance provision contained therein. All such insurance shall be carried by companies approved by LFUCG in its reasonable discretion and, the policies and renewals thereof shall be deposited with and held by LFUCG. All policies of insurance required to be maintained by Mortgagor pursuant to this paragraph 4 shall name as the insured parties Mortgagor and LFUCG, shall be reasonably satisfactory to LFUCG and shall: (a) provide for the benefit of such holder or holders, that thirty (30) days' prior written notice of suspension, cancellation, termination, modification, non-renewal or lapse or material

change of coverage shall be given to all insured parties and that such insurance shall be given to all insured parties and that such insurance shall not be invalidated by any act or neglect of Mortgagor or LFUCG or any owner of the Premises, nor by any foreclosure or other proceedings or notices thereof relating to the Premises or any interest therein, nor by occupation of the Premises for purposes more hazardous than are permitted by such policy and (b) not contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Premises against the peril involved, whether collectible or not.

The originals of all such policies shall be delivered to LFUCG. In the event of Mortgagor's failure to comply with any of the requirements of this paragraph, same shall at LFUCG's option constitute a default hereunder. Or, LFUCG may, in its discretion, obtain any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by LFUCG shall become immediately due and payable by Mortgagor with interest thereon at the rate specified in numerical paragraph (2) hereof until paid, and same shall be secured by this Mortgage.

In the event of any loss or damage to the Premises or any portion thereof, Mortgagor will give immediate notice thereof to LFUCG, and LFUCG may thereupon make proof of claim relative to such loss or damage, if same is not promptly made by Mortgagor. Mortgagor hereby authorizes LFUCG (should LFUCG so elect) to settle, adjust, or compromise any claims for loss, damage, or destruction under any such policy or policies of insurance and collect the proceeds thereof, and to this end hereby grants LFUCG the Mortgagor's power of attorney for such purposes (which power of attorney is a power coupled with an interest, same being irrevocable for the term of this Mortgage); provided, that LFUCG will exercise its rights under this sentence only in the event Mortgagor is in default on the Mortgage Loan or under the Mortgage Loan Documents. All such proceeds of fire and extended coverage insurance, to the full extent of the Mortgage Loan, are hereby assigned to LFUCG and shall be payable to LFUCG if LFUCG should so elect, and Mortgagor hereby authorizes and directs any affected insurance company to make payment thereof directly to LFUCG. All such insurance proceeds or any portion thereof shall be applied in whole or in part to restoration, repair, replacement, or rebuilding of the Premises. The delivery to LFUCG of any such policies or certificates of insurance, or renewals thereof, shall constitute an assignment to LFUCG of all unearned premiums thereon as further security for the payment of the Mortgage Loan. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the, Mortgage Loan, all right, title and interest of Mortgagor in and to any insurance policies then in force shall pass to LFUCG.

5. Mortgagor will have maintained or will maintain the Premises in good condition and repair and will not commit or allow any waste or destruction, reasonable wear and tear excepted. Mortgagor will comply with, or cause to be complied with, any applicable statutes, ordinances, regulations, or requirement of any governmental authority relative to the Premises and the use and maintenance thereof, and will promptly repair, restore, replace, or rebuild any part of the Premises now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty or as the result of any proceeding referred to in paragraph (7) hereof. No buildings, structures, or improvements hereafter erected on the Premises shall be removed, demolished, or substantially or structurally altered in any respect by Mortgagor, on Mortgagor's behalf, or by any tenant or by any other party without the prior written consent of LFUCG by its

duly authorized officer, LFUCG, and any person authorized by LFUCG, may enter upon and inspect the Premises at all reasonable times.

6. Mortgagor will not create, suffer or allow any charge, lien or encumbrance, upon the Premises or any part thereof, leases except as have been approved by LFUCG and the lien of general and special taxes duly levied and assessed but not yet -due and payable, without prior written consent of LFUCG by its duly authorized officer. Mortgagor will pay or will have paid promptly when due any charges for utilities or services including but not limited to electricity, gas and water; should Mortgagor or any tenant fail to pay such charges, LFUCG may pay the same, and any amount so paid by LFUCG shall become immediately due and payable by Mortgagor with interest at the rate specified in numerical paragraph (2) hereof until paid, and same shall be secured by this Mortgage.

7. If all or any part of the Premises are damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, or by the alteration of the grade of any street affecting the Premises, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the Mortgage Loan then remaining unpaid, is hereby assigned by Mortgagor to LFUCG, who may collect and receive the same and give proper receipts therefor in the name of Mortgagor, and the same shall be paid forthwith to LFUCG. To such end, Mortgagor hereby grants to LFUCG the Mortgagor's power of attorney (which power of attorney is a power coupled with an interest and shall be irrevocable for the term of this Mortgage). Any award or payment so received by LFUCG during the continuation of any default or threatened default may, at the sole option of LFUCG, be retained and applied, in whole or in part, to the Mortgage Loan (whether or not then due and payable), in such manner as LFUCG may determine and/or released, in whole or in part, to Mortgagor for the purpose of altering, restoring, or rebuilding any part of the Premises which may have been affected by such taking, alteration, or proceeding. Provided that absent the continuation of default or threatened default LFUCG will release said sums to Mortgagor, to be applied to restoration of the Premises. LFUCG shall not be obligated to see to the application of any amounts so released to Mortgagor. In the event of a material and adverse effect upon the value of the Premises by reason of any such damage, taking or acquisition, and should the proceeds or award payable therefor not satisfy in full the Mortgage Loan , same shall constitute an event of default hereunder and on the Mortgage Loan and Note.

8. If LFUCG shall incur or expend any sums, including reasonable attorneys' fees, to sustain the lien of this Mortgage or its priority, or to protect or enforce any of LFUCG's rights hereunder or under any other Mortgage Loan Document, to protect the Premises as collateral for the Mortgage Loan , or to recover any portion of the Mortgage Loan , all such sums shall become immediately due and payable by Mortgagor with interest thereon at the rate specified in numerical paragraph (2) hereof until paid. All such sums shall be secured by this Mortgage and shall be a lien on the Premises prior to any right, title, interest, or claim, in, to or upon the Premises attaching or accruing subsequent to the lien of this Mortgage.

9. Mortgagor will not hereafter lease the Premises, except leases executed in Mortgagor's ordinary course of business, nor will Mortgagor assign, alter, terminate or otherwise materially modify the terms of any lease affecting the Premises to which Mortgagor is a party, nor further encumber or assign (in whole or in part) the rents, revenues, income, or profits arising from the

Premises or any portion thereof (except in connection with the Permitted Encumbrances) without the prior written consent of LFUCG by its duly authorized officer, or in any other manner impair the value of the Premises or the security of this Mortgage for the payment of the Mortgage Loan

10. Mortgagor will observe and perform all covenants, conditions, and agreements imposed on it by any lease or leases now or hereafter affecting the Premises, or any portion thereof. If Mortgagor shall default in its performance of any of the terms, covenants, conditions, or obligations imposed upon it by any such lease or leases, which default would give the other party or parties thereto the right to terminate or cancel said lease or leases and if same may have a material adverse effect on the value of the Premises as security or the Mortgage Loan then, at the sole option of LFUCG, the entire Mortgage Loan shall become immediately payable and collectible by foreclosure or otherwise, without notice or demand. Provided, that in the event of any such default by Mortgagor (whether as lessor, lessee, sub lessee or otherwise), LFUCG shall have the right but not the obligation to cure any such default of Mortgagor, in such manner and to the extent LFUCG may deem advisable to protect its interest in the Premises. In the event that LFUCG should so elect, then any and all sums so expended by LFUCG relative to effecting any such cure shall become immediately due and owing LFUCG by Mortgagor, shall be secured hereby and shall bear interest at the rate specified in numerical paragraph (2) hereof until paid.

11. With respect to the Premises and the operation and promotion thereof, Mortgagor will keep or will cause to be kept proper books of record and account in accordance with generally accepted accounting principles consistently applied. LFUCG shall have the right to examine said books of record and account at such reasonable times and intervals as LFUCG may elect.

12. In the event that LFUCG (a), grants any extension of time or forbearance for payment of any portion of the Mortgage Loan; (b) takes, or realizes, other additional security for the payment thereof; (c) waives or does not exercise any right granted herein, under the Note or under any other Mortgage Loan Document; (d) grants any release, with or without consideration, of all or any part of the security held for the payment of the Mortgage Loan; (e) amends or modifies in any respect with the consent of Mortgagor any of the terms and provisions hereof or of the Note; then and in any such event, such act or failure to act shall not release Mortgagor or (if applicable) any of its principals or any co-maker, sureties, or guarantors of this Mortgage or of the Note, under any covenant of this Mortgage, the Note or other Mortgage Loan Documents nor preclude LFUCG from exercising any right or privilege herein or therein granted or intended to be granted in the event of any other existing or subsequent default and without in any manner impairing or affecting the lien or priority of this Mortgage.

13. Mortgagor will not hereafter make or permit, without the prior written consent of LFUCG by its duly authorized officer (a) any sale of the Premises, or the execution of any contract for deed relative to the Premises, or any assumption of the Mortgage Loan, any condominium conversion or any use of the Premises or any part thereof for any purpose other than that presently contemplated by the parties hereto; (b) after completion of the renovations contemplated by the Plans and Specifications, any material alteration, removal or demolition of any buildings, improvements, fixtures, apparatus, machinery, and equipment now or hereafter located or erected upon the Premises except in the ordinary course of business; (c) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any fixtures,

apparatus, machinery, equipment or personal property in or upon any of the buildings or improvements comprising a part of the Premises; (d) except in connection with the Permitted Encumbrances, any assignment of the revenues, rents, income or profits from the Premises; (e) except for the Permitted Encumbrances, any mortgage, lien or encumbrance upon the Premises, or any part thereof (whether prior or inferior to the lien of this Mortgage) affecting or adverse to the lien hereof, general and special taxes duly levied and assessed and not yet due and payable and any lease now or hereafter affecting any portion of the Premises. Any of the foregoing without LFUCG's prior written consent shall be and constitute a default by Mortgagor on this Mortgage and on the Mortgage Loan.

14. In the event of Mortgagor's default in the performance of any of the covenants and conditions contained in this Mortgage or in the event of Mortgagor's default in payment of the Mortgage Loan or any part thereof, or in the Note or under any other Mortgage Loan Document and (absent an express contrary grace or curative period) shall such failure, omission or default not have been fully corrected by Mortgagor, as applicable, to the complete satisfaction of LFUCG within thirty (30) days after LFUCG gives Mortgagor and Mortgagor's limited partners, written notice of the occurrence of any such default, at the address set forth in Section 7.1 of the Loan Agreement; or any of them and shall such default remain uncured beyond any applicable grace or curative period; or in the event any representation or warranty of the Mortgagor herein contained, or in the event any representation or warranty of the Mortgagor contained in any other Mortgage Loan Document shall prove to be untrue or misleading in any material respect; or in the event of any petition in bankruptcy, receivership, or reorganization filed by or against Mortgagor and shall same not be vacated within sixty (60) days), any assignment or composition for the benefit of creditors made or entered into by Mortgagor, or in the event of any judgment or proceeding entered or brought against Mortgagor or the Premises or to foreclose any lien thereon or on any part thereof; or in the event of a substantial adverse change in financial position of Mortgagor; or in the event of an unauthorized encumbrance or change in ownership of the Premises or of any other security for the Mortgage Loan ; or if in the opinion of LFUCG there is any material decline in the value of the Premises or any other security for the Mortgage Loan ; or should Mortgagor default on any other indebtedness now or hereafter owing LFUCG by Mortgagor beyond any applicable grace or curative period; then, and in such event, at LFUCG's sole option, without further notice or demand, the same being hereby expressly waived by Mortgagor as evidenced by Mortgagor's execution of this Mortgage, the Mortgage Loan shall become due, payable and collectible. Upon the happening of any such event (hereinafter an "Event of Default"), in addition to any other right of remedy which LFUCG may now or hereafter have at law or in equity, and not by way of limitation, LFUCG shall have the right and power to exercise any or all or any combination of the following remedies: (a) to declare the Mortgage Loan due and payable (and same shall thereupon be due and payable and to foreclose upon this Mortgage and the lien hereof; (b) to sell the Premises according to law as an entirety or in separate parcels; (c) to apply without notice (same being hereby expressly waived by Mortgagor) for the appointment of a receiver to collect the revenues and profits of the Premises and to preserve the security hereof as a matter of right, either before or after any foreclosure sale, without regard to the value of the Premises or any other property as security for the amount due LFUCG, or the solvency of any entity liable for the payment of such amounts; (d) to enter upon and take possession of the Premises without application to any court, with the irrevocable consent of Mortgagor as evidenced by Mortgagor's execution of this Mortgage, and collect the revenues, issues and profits thereof, and, without the appointment of any receiver or application

being made therefor, to manage, promote and/or operate the Premises, either in LFUCG's name or Mortgagor's name, by whatever means LFUCG may elect, and receive all the revenues, issues and profits therefrom, and apply the same, after payment of all necessary charges and expenses deemed by LFUCG to be necessary, to payment of the Mortgage Loan . All the foregoing rights and powers are effective and may be enforced by LFUCG either in conjunction with or without any action to foreclose this Mortgage, and without applying at any time for a receiver for the Premises. The foregoing rights and remedies are independent of and in addition to any statutory right to appointment of a receiver. Written notices required by the foregoing paragraph shall be sent by certified mail to the addresses provided in the Mortgage Loan Agreement.

15. Any sale under this Mortgage shall operate to divest all right, title and interest of Mortgagor in and to the Premises and rights so sold; shall be a perpetual bar both in law and equity against the Mortgagor; and shall be in bar of any equity or right of redemption, the same being expressly waived by Mortgagor.

16. Mortgagor represents and warrants, to its knowledge and belief, that no hazardous substances are present on the Premises. Furthermore, Mortgagor represents, warrants, and agrees that Mortgagor will not use, generate, treat, store, dispose of or otherwise introduce any such hazardous substances into or on the Premises. Mortgagor represents, warrants and agrees that there is no current and will be no future unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, the presence, accumulation or storage of any toxin, toxic waste, toxic affluent or discharge) or condition in or on or affecting the Premises or affecting the health of any person in or on the Premises. The Mortgagor shall pay immediately when due the cost of removal of any such wastes or substances, and shall keep the Premises free of any lien imposed pursuant to laws, rules, regulations and orders pertaining to hazardous wastes or substances and the removal thereof; in the event Mortgagor fails to do so, it shall be deemed an Event of Default. The Mortgagor shall indemnify LFUCG and hold LFUCG harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and cost incurred in the investigation, defense and/or settlement of claims) that LFUCG may incur as a result of or in connection with the assertion against LFUCG of any claim relating to the presence or removal of any hazardous waste or substance referred to in this paragraph, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto. The obligations of Mortgagor under this paragraph to indemnify LFUCG and hold LFUCG harmless shall survive payment of the Mortgage Loan and Note and shall survive release of this Mortgage and shall extend to the representatives, successors and assigns of LFUCG.

17. Whenever used in this Mortgage, unless the context shall otherwise clearly require, the term "Mortgagor" shall include the heirs, representatives, successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "Mortgagor" shall include the successors and assigns, as the case may be, of Mortgagor and all persons claiming by, through, or under Mortgagor; the term "person" shall include any individual, partnership, corporation, trustee, or unincorporated association. The singular shall include the plural and the plural, the singular; the gender used shall include the other genders. The invalidity or unenforceability of any one (1) or more phrases, sentences, clauses or paragraphs of this Mortgage shall not affect the validity or enforceability of the remaining portions of this Mortgage or of any part hereof. If this Mortgage is invalid or unenforceable as to

any part of the Mortgage Loan , or if this Mortgage is invalid or unenforceable as to any part of the Premises, the unsecured or partially unsecured portion of the Mortgage Loan shall be completely paid prior to the payment of the remaining secured or partially secured portion of the Mortgage Loan; and all payments made on the Mortgage Loan , 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 Mortgage Loan which is riot secured or fully secured by this Mortgage.

18. All the terms, covenants, conditions and agreements herein set forth shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, attorneys, representatives, successors and assigns, as the case may be, of the parties hereto.

19. No delay or omission on the part of LFUCG in exercising any right or remedy hereunder or under any other Mortgage Loan Documents shall operate as a waiver of such right or remedy or any other right or remedy. A waiver by LFUCG on any one occasion shall not be a bar to or waiver of any right or remedy on any further occasion. The rights and remedies provided herein and in the other Mortgage Loan Documents are cumulative, and LFUCG may resort to any other right or remedy or any combination thereof available under the other Mortgage Loan Documents or at law or in equity without first exhausting and without affecting or impairing the security of or any right or remedy afforded by this Mortgage. No waiver shall be effective as to LFUCG unless same shall be in writing by its duly authorized officer; any such waiver shall be construed strictly according to its terms.

20. If Mortgagor shall pay to LFUCG all sums due LFUCG under the Note and the interest thereon, in the manner and at the times mentioned in the Note, or otherwise in connection with the Mortgage Loan , and Mortgagor shall pay LFUCG any and all other sums due from Mortgagor to LFUCG under this Mortgage and shall fully keep and perform the terms, covenants, conditions and agreements under this Mortgage or otherwise due LFUCG relative to the Mortgage Loan , then this Mortgage and the estate granted thereby shall cease and be void, and this Mortgage shall thereupon be released by LFUCG at the cost and expense of Mortgagor.

This Mortgage may be executed by the parties in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

This Mortgage is taken, in part, to secure a Mortgage Loan made for the purpose of erecting, improving or adding to a building.

IN TESTIMONY WHEREOF, LFUCG and the Mortgagor have caused this instrument to be executed by LFUCG and the Mortgagor's duly authorized officers this day and date first hereinabove appearing.

ARBOR YOUTH SERVICES


By: 
Lori Clemons, Executive Director

EXHIBIT A

The Property being all of ...

Being all of Lot No. 75, Block D, Unit 2, Section 1-D of Dixie Plantation Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by plat of record in Plat Cabinet B, Slide 144, in the Fayette County Clerk's Office; said property being known and designated as 1807 Dalton Court; and

Being the same property conveyed to Lexington-Fayette Urban County Government by deed dated April 8, 1992, from the Secretary of Housing and Urban Development of Washington, D.C., acting by and through the Federal Housing Commissioner, of record in Deed Book 1623, Page 243, in the Office of the Fayette County Court Clerk.

Being the same property conveyed to Arbor Youth Services by deed dated December 11, 2018, from the Lexington-Fayette Urban County Government by of record in Deed Book 3634, Page 729, in the Office of the Fayette County Court Clerk.

	1 Year	15 years	
Rent (FMV)			
Unit 1 -Efficiency	\$6,816.00	\$102,240.00	568 *12
Unit 2 - Efficiency	\$6,816.00	\$102,240.00	568 *12
Unit 3 - 1/2 bd	Office	Office	
Unit 4- 1/2 bd	\$7,668.00	\$115,020.00	639 *12
Unit 5- 2 bd	\$9,840.00	\$147,600.00	820 *12
Unit 6 - 2 bd	\$9,840.00	\$147,600.00	820 *12
TOTAL RENT	\$40,980.00	\$614,700.00	
Utilites			
Gas Utility			
Units 1-2	\$876.00	\$13,140.00	Based on 2017 Costs
Units 3-4	\$900.00	\$13,500.00	
Units 5-6	\$968.00	\$14,520.00	
Water Utility			
Units 1-2	\$360.00	\$5,400.00	
Units 3-4	\$466.00	\$6,990.00	
Units 5-6	\$550.00	\$8,250.00	
Electric Utilities			
Units 1-2	\$574.00	\$8,610.00	
Units 3-4	\$1,362.00	\$20,430.00	
Units 5-6	\$1,814.00	\$27,210.00	
TOTAL UTILITIES	\$7,870.00	\$118,050.00	
Operating			
Personnel (Salary, Fica, Medical)	\$37,187.00	\$557,187.00	
Direct Expenses	\$11,147.00	\$167,205.00	
TOTAL OPERATING	\$48,334.00	\$724,392.00	
TOTAL	\$97,184.00	\$1,457,142.00	