LOUISVILLE CARES

POLICY AND PROCEDURES MANUAL

March 15, 2016

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Purpose Statement, Goals, Eligibility and Definitions

The Louisville Creating Affordable Residences for Economic Success (CARES) Program provides Gap Financing for the development of Multi-Family Rental Properties that are affordable to households making 80% or less of Area Median Income. Louisville CARES is a flexible tool that can be layered with other sources of financing, including federally-available financing, as needed to support the development of quality Affordable Workforce Housing in Louisville.

Louisville CARES is administered through Develop Louisville's Office of Housing and Community Development. It will be used to create 750 New Units created through direct Bridge or Gap Financing, and to positively affect 750 additional households through Housing Filtering.

Non-profit and for-profit developers of Multi-Family Rental Properties for households making 80% or less of Area Median Income are eligible to apply for Louisville CARES loans. Louisville CARES is a loan program and therefore applications will not be scored competitively or judged collectively. Applicants are evaluated on their individual merits using the process described herein.

The following definitions apply:

Affordable Housing: Housing, including utilities, that costs no more than 30% of income.

Applicant: A for-profit or non-profit developer of Affordable Housing seeking a loan through the Louisville CARES Program for a specific project.

Area Median Income or AMI: The US Department of Housing and Urban Development-calculated median income for the community, as adjusted by family size and region.

Borrower: An Applicant who has received a loan through the Louisville CARES Program.

Bridge Loan: Financing for a short-term until permanent financing is secured.

Collateral: Real estate, where total liens, including Louisville Metro's, do not exceed 90% of the appraised/assessed value or current cost, whichever is less; marketable securities in an amount not less than 75% of the loan amount; certificates of deposit or life insurance where cash values are not less than 100% of the loan amount; and other assets with a loan to value ratio to be established on a case-by-case basis. In all cases, each Louisville CARES loan must be fully collateralized.

Eligible Resident: A resident, whether an individual or a household, earning an income that is 80% or less of Area Median Income.

Gap Financing: Financing that fills a "gap" between available private and public project funding, Applicant-provided equity and funding needed to make the project feasible.

Housing Filtering: A concept by which households naturally move into more affordable housing units as those units become available, for example, through the creation of New Units.

Multi-Family Rental Property: Six or more units contained in a single building and available for rental only.

New Units: Units of Affordable Housing that are newly constructed, or that are created through rehabilitation and adaptive reuse of an existing non-residential building, or that are created through the rehabilitation of existing Multi-Family Rental Property where that Property has been vacant for a period of more than twelve (12) consecutive months prior to the date of application for Louisville CARES funding due to a major mechanical or structural issue not caused by the applicant's action or inaction. New Units do not include boarding houses as those uses are defined in the Land Development Code.

Period of Affordability. A period of no less than fifteen (15) years following the completion of project construction during which the units created using Louisville CARES funding shall be made available at rental rates that are affordable for households making 80% or less of AMI.

Underwriting Partner. A third party business or group of businesses or consortium to be selected by Louisville Metro Government through a competitive process to provide underwriting services, for the Louisville CARES Program.

OPERATIONAL PROCEDURES

Develop Louisville's Office of Housing and Community Development staff ("Staff") shall provide oversight and administration of the Louisville CARES Program.

A Loan Review Committee ("Committee") shall be established to review loan applications. This Committee shall be composed of:

- The Director of the Office of Housing and Community Development, who shall vote only in the event of a tie,
- The Director of Develop Louisville or Designee, ,
- The Chief Financial Officer or Designee,
- The Director of Advanced Planning or Designee,
- The Director of Economic Development or Designee,
- Three (3) members of the Board of the Louisville Affordable Housing Trust Fund to be selected by the Board, and
- The Executive Director of the Affordable Housing Trust Fund, or the Board Chair of the Louisville Affordable Housing Trust Fund.

Members of the Committee shall be bound by the provisions of Louisville Metro Code of Ordinances Chapter 21, which governs standards of ethical conduct.

Timely Review. The Committee shall meet monthly to evaluate, process and close loan applications to meet the needs of businesses seeking bridge or gap financing through Louisville CARES. The Committee shall not meet in months where no applications or existing loans are ready for consideration or modification.

PRIMARY LENDING CRITERIA AND TERMS

Louisville CARES is a flexible tool to encourage and support the development of Multi-Family Rental Housing for households making 80% or less of AMI. Loan awards and terms, including interest rates, maturity and amortization schedules shall be determined by the Committee based on the Applicant's proposal, the evaluation of the project against Project Scoring Worksheet (see Exhibit A), and the risk factors present.

1. The minimum loan amount is $10,000 per project.
2. There is no maximum loan amount per project. Loan amounts will be determined based on the criteria listed below and in the Project Scoring Worksheet with the goal of creating 750 New Units.
3. There is no minimum interest rate. Interest rates will be set based on the proposed use of Louisville CARES funds and the proposed timeframe for repayment.
4. The maximum time for repayment is 30 years unless the Loan Review Committee approves a longer repayment period by unanimous vote. There is no minimum time frame for repayment and no penalty for early repayment.

APPLICATION AND REVIEW PROCESS

Application Period. Louisville CARES consists of an approximately $11 million revolving loan fund. To maximize the use of this funding and to help developers leverage it with other competitive funds that may not be awarded until later in the calendar year, Louisville Metro Government shall receive applications for Louisville CARES funding on a rolling basis. The application process shall be opened on January 25, 2015. Applications shall be reviewed on a monthly basis as described below.

Application Process. Applicants seeking funding from the Louisville CARES Program shall:

a. Meet with Staff, if desired, to discuss questions and receive technical assistance in providing complete application materials to request a loan from the Louisville CARES Program.
b. The Applicant shall complete the online application and provide the following materials in electronic format to the Office of Housing and Community Development:
    a. Authorization to obtain credit reports for all owners, partners and guarantors, and/or a credit report performed by another capital provider participating in the Applicant's project where such report has been generated within the previous thirty (30) days.

b. Tax returns for all owners, partners and guarantors for three previous tax years.
c. Project pro forma, including revenue projections for at least fifteen years after completion of construction, the date of expected project rent stabilization, and other information including but not limited to developer's fee, construction contingency which shall not exceed 10%, and operating debt reserve.
d. Firm commitments to financing provided, where applicable, by other organizations, or copies of applications filed to receive funding from other organizations and financial institutions, and an outline of project costs funded to the date of application for Louisville CARES financing.
e. Deeds or leases for the properties on which the project will be constructed. This requirement may be modified in the event an Applicant has a property under option, but has not yet closed, to require the Applicant to provide a copy of the purchase agreement or option agreement.
f. Evidence of Collateral, including evidence of ownership, including deeds to property and proof of value and ownership for financial assets offered as Collateral.
g. Site development plans and specifications, if complete.
h. Market study, if complete.
i. Any environmental reports including a Phase 1, if complete.
j. Appraisal, if complete.
k. A map showing the location of the property in relation to the closest bus stop and employment center.
l. Project timeline.
m. Description of project team, including relevant experience developing Affordable Multi-Family Rental Housing or the type of project proposed.
n. A completed Project Scoring Workbook, contained in Exhibit A, outlining in narrative form how the project addresses the listed criteria.
o. Evidence that the Applicant is in good standing with the Louisville Metro Revenue Commission and Human Relations Commission, and that the Applicant, and other owners, officers, partners, and guarantors, and any affiliates, sister organizations or other businesses, whether for-profit or non-profit do not have unresolved violations under Louisville Metro Government's Property Maintenance Code on any properties owned by said individuals or organizations. (Applicants may wait to request this information until after the Louisville CARES Loan Committee meeting. However, loan approvals will be conditioned upon receipt of documentation and loans will not close until items are cleared.)
p. Documentation demonstrating that the property has not been flooded in the form of a flood determination letter. See: http://ags2.lojic.org/msdflooddetermination/
q. A $500 application fee to the Office of Housing and Community Development.
r. Other information as may be requested by Staff.

Review Process. Where necessary to facilitate a project that is being considered for funding by a third party organization, the Committee is authorized to make conditional loan approvals. In such a case, the Committee shall limit the duration of the conditional approval to the least amount of time required to receive a decision from the third party organization, not to exceed twelve (12) consecutive months.

All applications will be reviewed according to the following process:

1. Upon receipt of a complete application, as determined by Staff, Staff shall review the application and supporting documents, score the project using the Project Scoring Worksheet and make a recommendation to proceed or reject the application:

a. If recommendation is to proceed, staff shall recommend appropriate loan terms based on underwriting criteria,
b. Forward all relevant application materials to the Underwriting Partner for review,
c. Prepare a loan summary using a form substantially similar to Exhibit B,
d. Schedule a meeting of the Committee to review the project

For an application to be considered by the Committee, it must be submitted and be deemed complete by Staff no later than three weeks before the date of the Committee meeting. Applications received after that date will be considered at the next Committee meeting.

2. At least one week prior to the Committee meeting, Staff shall email Committee members copies of the applications to be considered, including all supporting materials.

3. The Committee will meet to review applications for Louisville CARES funding on a monthly basis, but will not meet in months where no applications are ready for review. For purposes of taking action, a quorum of the Committee consists of five (5) members. Staff will present each application to the Committee and present an analysis of each application, including a review of the recommendation of the Underwriting Partner. Decisions of the Committee shall be by majority vote, and shall be based on the following:

a. Ability of the project to leverage other funding.
b. Project risk and likelihood of completion.
c. Evaluation of the project and recommendation of the Underwriting Partner. In no case shall the Committee award a loan if, after reviewing the project's financial performance, the Underwriting Partner advises against it.
d. An evaluation of the project using the Project Scoring Worksheet. In no case shall the Committee fund a project that fails to score a minimum of sixty (60) points on the Project Scoring Worksheet. The Committee shall not be required to make a loan, regardless of whether a proposed project receives more than this minimum number of points where other factors weigh against making the loan. The decision to make a loan

rests in the sole discretion of the Committee, taking into account the totality of the application in light of the criteria listed herein.

In determining project risk, the following factors shall be considered and evaluated:

- Cash flow projections and coverage;
- Louisville Metro Government's priority as a lienholder and the ability of the Borrower to increase this priority;
- Type and value of collateral offered;
- Applicant's credit history;
- The project's viability;
- Background and character;
- Payment history and performance on previous loans, grants or other awards made to the Applicant, if any. No loan shall be made to any Applicant who has previously defaulted on a prior loan or who is not current on an active loan.

4. The Committee may:

a. Approve the loan by majority vote. A vote to approve must include at least one Committee member representing the Board of the Affordable Housing Trust Fund or its Executive Director and at least one Committee member representing Louisville Metro Government.
b. Approve the loan by majority vote with conditions where necessary to facilitate a project that is being considered for funding through a competitive process or that is waiting for a funding decision to be made by a third party organization. In such a case, the Committee shall limit the duration of the conditional approval to the least amount of time required to receive a decision from the third party organization, not to exceed twelve (12) consecutive months. In the event of a conditional approval, the Committee shall specify what kinds of changes to the project shall require additional review by the Committee, and what kinds of changes shall be reviewed by Staff. In all cases, if changes to the project are made during the period of the conditional approval, the Committee shall determine whether the changes materially affect the evaluation of the project using the Project Scoring Worksheet. In the event the changes cause the score to fall below the minimum required, the conditional approval shall be revoked.
c. Table the loan to a future meeting to allow the Applicant to provide answers to specific questions or provide specific additional project details.
d. Deny the loan.

POST-REVIEW PROCESS

Staff shall notify each Applicant in writing of the Committee's decision within seven (7) days of the Committee's meeting. Where an application is tabled, Staff shall provide the Applicant with

clear direction on information to be provided for the application to be considered at a subsequent Committee meeting. Where an application is denied, Staff shall provide the Applicant with specific reasons for the denial and shall offer to provide technical assistance to help the Applicant address those issues for future applications.

Where an application is approved or approved with conditions, Staff shall prepare a commitment letter, substantially similar to Exhibit C, setting forth the terms and conditions for funding the loan, including a firm date on which the commitment will expire. Staff shall forward this letter, along with the Revenue Commission Consent Form, substantially similar to Exhibit D, and a W-9 form to be completed, signed where applicable, and returned by the Applicant. The Applicant shall also be apprised of the origination fee, which shall consist of ½% of the amount of the loan amount, recording fees and title report fee.

Once the Applicant has completed, signed and returned the loan commitment letter, Revenue Commission Consent Form and W-9, Staff shall forward these documents along with the following to the Jefferson County Attorney's Office and request that Office's assistance in preparing closing documents:

- Closing statement
- Loan agreement, substantially in the form attached as Exhibit E
- Promissory note, substantially in the form attached as Exhibit F
- Mortgage, if required, substantially in the form attached as Exhibit G
- Guarantee, substantially in the form attached as Exhibit H
- Deed restriction, substantially in the form attached as Exhibit I

Staff shall enter information on the new Borrower and the loan into Louisville Metro Government's Loan Management System.

LOAN CLOSING

Loan closings shall take place on a date that is mutually convenient to Staff, the Borrower and the Jefferson County Attorney's Office, all of whom shall be present for the closing. All individuals who are required signatories on loan documentation, including guarantors, shall be present on behalf of the applicant. The Jefferson County Attorney's Office shall obtain all necessary signatures on the closing documents and shall verify the validity of all signatures. The Borrower shall provide Staff signed checks for the recording fees, the origination fee and the title report. Upon the execution of all closing documents and the receipt of all required checks, Staff shall be authorized to release disbursements of loan proceeds according to the agreed-upon disbursement schedule. Staff shall provide copies of all closing documents to the Borrower, and Staff shall promptly record all mortgages, liens or other recordable documents executed at closing in the Office of the Clerk of Jefferson County, Kentucky.

LOAN SERVICING

Disbursements. Staff shall process requests for loan disbursement according to the terms of the loan agreement. The Borrower shall submit invoices for work performed to Staff, who shall be responsible for confirming the work was performed as stated, for entering the requested disbursement amount into the Louisville Metro Government's Loan Management System, and working with Louisville Metro Government's Office of Management and Budget ("OMB") to process the disbursement request.

Payments. OMB shall send monthly invoices to each Borrower. Thirteen days before the bill due date, an invoice shall be printed and mailed to the Borrower with an envelope addressed to a 5/3 Bank lockbox that is used to collect and clear checks. Following the collection and entry of checks from this lockbox, OMB will receive a file listing the checks received and processed. OMB shall enter this information into the Oracle Loan System, which automatically applies payments to the appropriate Borrower. Staff is responsible for working with Borrowers to ensure timely payment, to correct delinquencies and to initiate and manage any required collection actions with legal support from the Jefferson County Attorney's Office.

Loan payments are due on the date set forth in the monthly invoice. If payments are not received within thirteen (13) days of the due date, a $25 late fee shall be charged to the Borrower on the following month's bill. A Borrower may, within two months of being assessed a late fee, request that the Committee waive said fees. The Committee may waive a late fee under the following circumstances:

- The Borrower has presented convincing evidence that the payment was made on a timely basis but not received through no fault of the Borrower
- The payment was not credited properly to the Borrower's account
- The payment amount was increased without notice to the Borrower and Borrower continued to pay the original payment on a timely basis

MONITORING AND COMPLIANCE

Borrowers who submit reports to document compliance related to the use of Federal housing funding, such as Community Development Block Grant funds, low income housing tax credits or bonds shall provide approved copies of these required reports to the Office of Housing and Community Development at the time they are submitted to the agency responsible for monitoring compliance with Federal regulations. Failure to provide this documentation on a timely basis shall be considered a breach of the Loan Agreement, triggering all the rights and remedies listed therein.

Borrowers that do not submit reports associated with the use of Federal housing funding shall provide evidence of resident eligibility as described below, and an annual certification that rental rates are in compliance with the Louisville CARES Rent Guidelines for the current fiscal year as

established by Develop Louisville's Office of Housing and Community Development for the unit sizes contained in the project to the Louisville Metro Office of Housing and Community Development. Failure to provide such documentation on a timely basis shall be considered a breach of the Loan Agreement triggering all the rights and remedies listed therein. Borrowers shall confirm that residents are Eligible Residents upon the signing of a lease, and shall provide this documentation to the Office of Housing and Community Development according to the following schedule:

Number of Affordable Units	Timing of Resident Eligibility Reporting
1-20 units	Within one week of unit rental
21-60 units	Monthly reports
61 or more units	Quarterly reports

The Office of Housing and Community Development may conduct site visits to confirm that Borrowers are in compliance with Resident Eligibility requirements. These site visits may include, if required by the Committee as a condition of a loan approval, an inspection conducted using US HUD's Housing Quality Standards.

PERIOD OF AFFORDABILITY

Borrowers shall enter into a deed restriction to run in favor of Louisville Metro Government for a period of no fewer than fifteen (15) years following the date of construction completion requiring that the project maintain the number of units that were supported with Louisville CARES funding as affordable for households making 80% or less of AMI. This deed restriction shall be in a form substantially as shown in Exhibit I, and shall be written to automatically expire at the end of the Period of Affordability. This deed restriction shall be executed at the time of loan closing, or at another time to facilitate other aspects of the project, and recorded by Staff. In no case shall the Borrower make a first draw from the approved loan until the deed restriction has been executed and recorded.

LOAN DELINQUENCY AND RESTRUCTURE

Staff shall make all reasonable efforts to work with troubled Borrowers to keep projects on track and affordable for residents. In the event of loan delinquency or threatened default, Staff will work with the Borrower and the Underwriting Partner, where appropriate, to develop a revised repayment schedule to catch up on past-due amounts or to restructure the loan payments to enable the Borrower to repay the loan. Changes to repayment schedules, restructure of loan payments or other modifications to the original loan agreement require the approval of the Committee after receiving a recommendation on such changes from the Underwriting Partner.

A loan delinquency occurs once a Borrower has become more than thirty (30) days late in a payment. Such a Borrower will be notified by Staff of the delinquency so that repayment details can be negotiated. If the Borrower continues to fall further behind in repayments or does not

respond to Staff's communication in a timely manner, the loan will be referred to the Jefferson County Attorney's Office for legal action.

Staff shall submit monthly reports to the Committee reflecting the status of all active loans.

Modifications to loan terms must be approved by the Committee after review by Staff and the Underwriting Partner. Before considering any loan modification or restructure, the Borrower must provide the following:

- A current project financial statement
- Personal financial statements for owners, partners and guarantors
- Revised cash flow projections for a minimum of the next twelve (12) months
- Current debt structure with description of terms and collateral
- Information about how all other lenders are planning to restructure or modify project loans to address the Borrower's request
- Other information deemed necessary to make an informed decision about the requested modification or restructure

Factors to be considered in evaluating a request to modify or restructure a loan include:

- The Borrower's payment history
- The current status of the loan
- Cooperation of the Borrower
- Purpose of the loan modification or restructure
- Willingness and ability of the Borrower to pledge additional Collateral
- Borrower's ability to repay
- Viability of project, including ability to lease units and maintain residents
- Maturity date for the loan
- Impact on Louisville CARES portfolio

Project Name

Points Possible	Criteria	Score	Comments
	Site Control		
5	Property is owned by Applicant and is zoned for the proposed development.		
3	Option secured or rezoning required.		
0	Property has not been identified.		
	Site Location [1]		
8	Within 1 mile of an employment center measured by the shortest distance by road.		
5	Between 1 and 3 miles of an employment center measured by shortest distance by road.		
0	More than 3 miles from an employment center measured by shortest distance by road.		
	Transit Access [2]		
10	Development is within 1/4 mile of a TARC stop on a high-frequency transit line.		
5	Development is between 1/4 and 1/2 mile of a TARC stop on a high-frequency transit line, or within 1/4 mile of a TARC stop on a non-high-frequency transit line.		
3	Development is within 1/2 mile of a TARC stop on a non-high-frequency transit line.		
0	Development is more than 1/2 mile from a TARC stop.		
-1	No continuous sidewalk is present between the development site and the TARC stop and there are no plans to construct such a sidewalk as part of the project.		

	Access to Services [3]		
8	Development is within 1/4 mile of at least 5 services, one of which is a grocery store.		
5	Development is between 1/4 and 1/2 mile of at least 5 services, one of which is a grocery store.		
3	Development is between 1/2 and 1 mile of at least 5 services, one of which is a grocery store.		
0	Development is more than 1 mile from at least 5 services.		
	Alignment		
5	The project leverages or supports other major area development or planning efforts.		
0	The project does not leverage or support other major area development or planning efforts.		
	Use Mix		
10	Mixed income, including a percentage of market rate units.		
7	All affordable units, some units reserved for renters at 60% or less of AMI.		
4	All affordable units.		

	Diversity [4]		
15	Development is located in a Metro Council District that contains less than 1% subsidized housing as a percentage of total District Housing units.		
10	Development is located in a Metro Council District that contains between 1.1% - 5% subsidized housing as a percentage of total District housing units.		
7	Development is located in a Metro Council District that contains between 5.1% - 8% subsidized housing as a percentage of total District housing units.		
3	Development is located in a Metro Council Districts that contains between 8.1% - 10% subsidized housing as a percentage of total District housing units.		
0	Development is located in a Metro Council District that contains more than 10% subsidized housing as a percentage of total District housing units.		
	Resident Support [5]		
3	Applicant will provide training for residents in how to be a successful renter as a prequalification to renting.		
0	No resident support planned.		
	Credit Building Rent Reporting [6]		
3	Development will provide this program as an optional amenity at no cost for all residents.		
0	Development will not participate in this program.		

	Unit Size		
8	More than 25% of affordable units designed with 3 or more bedrooms.		
5	15.1% - 25% of affordable units designed with 3 or more bedrooms.		
3	10.1% - 15% of affordable units designed with 3 or more bedrooms.		
0	Less than 10% of affordable units designed with 3 or more bedrooms.		
	Universal Design [7]		
5	All units feature universal design or are prebuilt to accommodate accessible features.		
3	At least 1/3 of units feature universal design or are prebuilt to accommodate accessible features.		
0	No accessible features or universal design for future accessible features.		
	Sustainable Design		
10	Development will be built to nationally-recognized sustainable design standard such as Passive House, Energy Star, or LEED and will incorporate measures to help residents track energy consumption to manage utility costs.		
5	Development will be built to nationally-recognized sustainable design standard such as Passive House, Energy Star,or LEED but does not incorporate measures to help residents track energy consumption to manage utility costs.		
0	Development will not be built to nationally-recognized sustainable design standards such as Passive House, Energy Star, or LEED.		

	Tree Canopy		
5	Development plan will include a tree canopy that exceeds requirements by 20% or more, or increase existing tree canopy by 20%.		
0	Development plan does not exceed tree canopy requirements by 20%.		
	Urban Heat Island Mitigation - Cool Roof		
5	Development roof will be built to meet cool roof standards.		
0	Development roof will not be built to meet cool roof standards.		
	Green Infrastructure		
5	Applicant will apply for MSD's Green Infrastructure Incentive Program and the Office of Sustainability's Green Infrastructure Incentive Program.		
3	Applicant will apply for MSD's Green Infrastructure Incentive Program, but not the Office of Sustainability's Green Infrastructure Incentive Program.		
0	Applicant will not apply for MSD's Green Infrastructure Incentive Program or the Office of Sustainability's Green Infrastructure Incentive Program.		
	Adaptive Re-Use [8]		
5	Project will rehabilitate an existing building for affordable housing.		
3	Project will allow uninhabitable units to be rehabilitated for affordable housing.		
0	Project will not involve adaptive reuse or rehabilitation of uninhabitable units.		

	On-site Amenities, Supportive Uses [9]		
2	Uses included.		
0	No uses included.		
	Leverage		
8	Louisville CARES represents 15% or less of total project financing.		
6	Louisville CARES represents 15.1% - 25% of total project financing.		
3	Louisville CARES represents 25.1 - 45% of total project financing.		
1	Louisville CARES represents 45.1% or more of project financing.		
	Term of Loan		
10	Loan repaid in full in less than 3 years.		
5	Loan repaid in full in more than 3 years.		
	TOTAL SCORE		

NOTES

1	See Emloyment Center Map/TARC Bus Line Map under Application Resources for location of employment centers.
2	Distance to TARC stops is measured by the shortest distance by sidewalks. If no continuous sidewalk is present between the development and the TARC stop, reduce score by 1 point. High-frequency transit lines include the #4, #18 and #23 lines.
3	Services include gas stations, restaurants, banks, clothing retail, hardware stores, auto repair garages, home goods retail, bookstores, coffee shops, bike shops, dry cleaners, medical and dental offices, and grocery stores (defined by North American Industry Classification System (NAICS) code 44511, these include establishments generally known as supermarkets and smaller grocery stores primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. Included in this industry are delicatessen-type establishments primarily engaged in retailing a general line of food. Convenience stores, with or without gasoline sales, are excluded. Large general merchandise stores that also retail food, such as supercenters and warehouse club stores, are excluded.)
4	Use the "Percentage of Total Public Housing and Section 8 Units by Metro Council District" chart located under Application Resources to determine percent of subsidized housing as total percentage of Metro Council District housing for purposes of this section.
5	The Applicant must provide a letter of support from a qualified organization that will conduct resident training on behalf of the Applicant in order to receive points for this section.
6	Credit building rent reporting is a tool that allows low-income renters to use their timely rent payments to build their credit history.
7	Universal design is a practice of designing spaces to be useable by the widest range of people possible. It incorporates a large percentage of the requirements for Accessible Design. See http://www.universaldesign.com/about-universal-design.html.
8	For purposes of Louisville CARES, adaptive reuse includes the conversion of a previously non-residential building to affordable housing, or the rehabilitation of residential units that have been uninhabitable for a period of more than 12 consecutive months. It does not include the rehabilitation or upgrade of existing residential units, residential units that have been occupied within 12 months of the date of application or residential units that could have been, but were not, leased during the previous 12 months.
9	On-site, supportive uses include but are not limited to playgrounds, community centers, computer labs, clubhouses, and commercial spaces.

Exhibit B

Louisville CARES Loan Summary

Applicant:

Project Address:

Total Project Cost:

Loan Request:

Project Summary:

Economic Impact:

Financials:

Funding Sources:

Collateral:

Strengths:

Weaknesses:

Exhibit C

Date

Name
Address
City, State Zip

Dear ,

The Louisville CARES Loan Review Committee has approved your loan request under the Louisville CARES Revolving Loan Program subject to the following terms and conditions:

Amount: Louisville CARES shall loan to _____ $_____ to be used for _____ for your project at _____.

Terms: The loan shall have an amortization of ___ months. The outstanding principal balance shall accrue interest at a __% fixed rate. The monthly payment is $_____ and there is no penalty for paying loan off early. The first payment will be due in ___ days from closing. There will be an origination fee of ½ a point ($_____) due at closing.

Collateral: The following shall be used as collateral on this loan:

Contingencies: This loan is contingent upon returning the following with this signed commitment letter:

This commitment letter must be signed and returned to us within ten days. Signing this commitment letter and returning the originals to our office shall evidence acceptance of this commitment.

If you have any questions, please call _____.

Sincerely,

Enclosures

Exhibit C

We hereby accept this commitment on _____, 2016.

_____
NAME
TITLE

_____
NAME
TITLE

_____
NAME
TITLE

_____
NAME
TITLE

Exhibit D

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement") entered into this ____ day of _____, 2016, between **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, acting by and through its OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT**, a Kentucky consolidated local government, having a mailing address of 444 South Fifth Street, Suite 600, Louisville, Kentucky 40202 ("METRO"), and **[NAME OF BORROWER]**, a [type of entity], having a mailing address of [_____].

WITNESSETH:

WHEREAS, METRO desires to promote and encourage the growth and development of affordable housing through its Louisville Cares program; and

WHEREAS, Borrower proposes to provide affordable housing, as more particularly described in Exhibit A, attached hereto (the "Project"), at the property located at _____ (the "Property"); and

WHEREAS, the making of the Loan as provided herein in support of the Project is in furtherance of the public purposes of METRO and the Louisville Cares program; and

NOW, THEREFORE, in consideration of METRO's agreement to make a loan to Borrower in the amount of [____ **DOLLARS ($_____)]** and subject to the following terms and conditions, the parties hereto agree and covenant as follows:

I. LOAN TERMS. METRO agrees to make a loan to Borrower upon the following terms and conditions:

A. <u>Loan Amount</u>. Subject to the provisions of this Agreement, Louisville will make and Borrower will accept a loan in the amount of [$_____].

B. <u>Use of Loan Proceeds</u>. The Loan proceeds shall be used by Borrower solely to construct the Project at the Property.

C. <u>Closing</u>. The closing on the Loan shall be no later than _____, 2016, and shall be held at 444 S. Fifth Street, Suite 600, Louisville, Kentucky ("Closing").

D. <u>Term.</u> The Loan shall be for a term of _____ [months/years] commencing on the date of the Closing and terminating on the date _____ [months/years] from the date of Closing.

E. <u>Interest; Repayment.</u> Interest shall accrue on the principal amount of the Loan, and payments of principal and interest shall be paid on the Loan according to the

terms of the Note executed on the same date as this Agreement by Borrower and payable to the order of METRO.

F. **Payment.** The proceeds of the Loan shall be paid in a lump sum at the Closing.

G. **Loan Documents.** The Loan Documents shall consist of this Agreement and a Note substantially in the form attached hereto as Exhibit A, a Mortgage substantially in the form attached hereto as Exhibit B[, and a Guaranty substantially in the form attached hereto as Exhibit C].

H. **Loan Assumption.** The Loan may not be assumed unless Borrower first obtains written consent from METRO.

II. BORROWER'S COVENANTS, WARRANTIES, AND REPRESENTATIONS. In order to induce METRO to enter into this Loan Agreement and to make the Loan, Borrower makes the following representations, warranties and covenants as of the date hereof, which representations, warranties and covenants shall survive the disbursement of Loan proceeds hereunder:

A. **Control of Property.** Borrower possesses a valid lease for the fee simple title to the Property with the authority to sell or lease the Property.

B. **Licenses and Permits.** Borrower or the developer of the Project shall obtain, at its sole expense, and at all times during the term of the Loan maintain in full force and effect all licenses and permits necessary or appropriate for all of its business activities at the Property, including, but not limited to, all building and other permits for the construction of the Project and a certificate of occupancy upon completion of construction of the Project.

C. **Legal Capacity.** Borrower has the legal capacity, power and right to execute and deliver the Loan Documents and to observe and perform all of the provisions of such documents to which it is a party.

D. **No Violation of Laws.** Borrower's execution and delivery of the Loan Documents, any other related documents and the performance or observance of Borrower of the provisions of any of such documents does not violate or will not violate any existing provision in any law applicable to Borrower, or otherwise constitute a default or violation under any existing contract or other obligation binding upon Borrower, or any of Borrower's property with or without the passage of time or the giving of notice or both.

E. **Legally Binding.** The Loan Documents are legally binding upon Borrower and are enforceable in accordance with their respective terms.

III. EVENTS OF DEFAULT; REMEDIES

A. **Events of Default.** The following shall constitute Events of Default hereunder:

(1) If any representation or warranty made under the Loan Documents, or in any certificate or statement furnished or made to Louisville by Borrower pursuant hereto or in connection herewith or with the Loan hereunder, shall prove to be untrue or inaccurate in any material respect as of the date on which such representation or warranty is made by Borrower;

(2) If Borrower fails to comply with or breaches any of the terms, covenants and conditions in the Loan Documents;

(3) Borrower fails to repay the Loan as required by subsection I.E of this Agreement;

(4) Borrower is adjudged a bankrupt, files a petition in bankruptcy or has a petition in bankruptcy filed against it, or makes an assignment for the benefit of its creditors;

(5) If Borrower fails to duly account to METRO's satisfaction at such time or times as METRO may reasonably may require for any of the collateral securing the Loan, or proceeds thereof, coming into the control of the Borrower;

(6) The transfer, sale or further encumbrance of any of the collateral and property securing the Loan, without the express prior written consent of METRO.

B. **Remedies Upon Default.** Upon any Event of Default as specified in subsection A, METRO shall give written notice thereof to Borrower, by hand delivery or U.S. mail, addressed to Borrower's address as stated in this Agreement, or to such other address as may subsequently, upon written notice thereof to METRO, be designated by Borrower. If such violation is not corrected to the reasonable satisfaction of METRO within thirty (30) days after the date such notice is mailed, or within such further time as METRO reasonably determines in its reasonable discretion is necessary to correct the violation, without further notice METRO may declare a default under this Agreement and under the Loan Documents evidencing and securing the Loan and may proceed to initiate any or all remedies at law or in equity available in the event of a default, including, but not limited to, the acceleration of the due date of the entire Loan indebtedness.

All of the rights and remedies of METRO shall be cumulative to the fullest extent permitted by law and shall be in addition to all those rights and remedies afforded METRO at law or equity or in bankruptcy.

IV. MISCELLANEOUS PROVISIONS.

The following conditions and provisions shall be applicable throughout the term of the Loan:

A. Binding Effect. This Agreement shall be binding upon the parties, their heirs, personal representatives, successors and assigns.

B. Notices. All notices hereunder shall be in writing delivered or mailed by certified mail, return receipt requested to the addresses indicated in this Agreement or such other address as may be designated by the parties in writing.

C. Amendments to be in Writing. No Loan Document may be changed, waived, discharged or terminated except by an instrument in writing signed by the parties hereto.

D. Severability. If any provision of this Agreement or any Loan Document shall be determined to be invalid, void or unenforceable, said determination shall not affect the validity or enforceability of any other valid provision of this Agreement.

E. Jurisdiction. Borrower hereby consents to the jurisdiction of the State courts in the Commonwealth of Kentucky for all disputes relating to the construction, interpretation, enforcement and performance of the Loan Documents, hereby waiving all defenses based on jurisdiction, venue, or convenience of forum.

F. Survival of Covenants, Agreements, Warranties and Representations. All covenants, agreements, warranties and representations made by Borrower herein shall survive Closing and each advance thereof hereunder and the execution and delivery of the Loan Documents, and shall be deemed to be continuing covenants, agreements, representations and warranties at all times while any portion of the Loan remains unpaid, and such covenants, agreements, representations and warranties shall be deemed to be remade and restated by Borrower each time Borrower requests an advance hereunder.

G. Interpretation. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power, remedy or privilege by METRO shall operate as a waiver thereof, nor shall any right, power, remedy or privilege of METRO be exclusive of any other right, power, remedy or privilege referred to herein or in any related document now or hereafter available at law, in equity, in bankruptcy, by statute or otherwise. Each such right, power, remedy or privilege may be exercised by METRO, either independently or concurrently with others and as often and in such order as METRO may deem expedient. No waiver or consent granted by METRO or Borrower, as applicable, in respect to or any Loan Document or related writing shall be binding upon METRO or Borrower, as applicable, unless specifically in writing by duly authorized officers of METRO or the duly authorized officer of Borrower, as applicable, which writing shall be strictly construed. The parties agree that the Loan Documents

shall be so interpreted to give effect and validity to all the provisions hereof to the fullest extent permitted by law.

H. **Assignment.** Borrower may not assign any of its rights or obligations under this Loan Agreement to any other party without the prior written consent of METRO.

I. **Time of Essence.** Time shall be of the essence in the performance of all of METRO's and Borrower's obligations under the Loan Documents and the instruments related hereto or thereto.

J. **No Third Party Beneficiaries.** All conditions of the obligations of METRO to make advances hereunder are imposed solely and exclusively for the benefit of METRO and its assigns and Borrower and its assigns, and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that METRO will not refuse to make advances in the absence of strict compliance with any or all thereof and no other person shall, under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by METRO at any time if in its sole discretion it deems it advisable to do so.

WITNESS the signatures of the authorized representatives of METRO and Borrower as of the date first written above.

METRO:

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, acting by and through its OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

By:_____

Title:_____

BORROWER:

[NAME OF BORROWER]

By:_____

Title:_____

Approved as to Form:

_____
Michael J. O'Connell
Jefferson County Attorney

Exhibit E

PROMISSORY NOTE

[$_____] **Louisville, Kentucky**
_____, 2016

FOR VALUE RECEIVED, [NAME OF BORROWER], a [type of entity], with its principal address located at [_____] (hereinafter referred to as "Borrower") promises to pay to the order of the note holder, **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, acting by and through its OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT,** a Kentucky consolidated local government, with its address located at 444 South Fifth Street, Suite 600, Louisville, Kentucky 40202 ("METRO"), or its successors or assigns, the principal sum of [_____ **DOLLARS and 00/100 ($_____)].**

Interest will be charged on unpaid principal until the full amount of the principal has been paid. Interest will be at a yearly rate of _____%.

Payments of principal and interest are to be made every month in the amount of $_____, beginning on _____, 2017, and continuing every month until all principal, interest and any other charges that may be owed under this Note have been paid. If any of the principal of this Note shall become due on a Saturday, Sunday or business holiday, such payment shall be made on the next succeeding business day, and any such extension of time shall be included in computing interest in respect to such payment.

Said payments shall be applied first to accrued interest and then to the unpaid principal balance of the Note. If, on _____, 20___, amounts are still owed under the Note, those amounts shall be paid in full on that date, which is the maturity date. Payments shall be made to [insert address for where payments are to be made].

METRO is authorized to declare any or all of the unpaid balance of this Note as at once due and payable and may proceed to enforce said obligation for the full unpaid balance upon the happening of any of the following events:

(1) Failure by Borrower, for a period of ten (10) days after receipt of written notice from METRO, to pay any monthly installment or interest thereon;

(2) Failure of Borrower to perform any term, condition, or covenant under this Note, the Loan Agreement or any other document executed in connection with this loan and Note, including any collateral documentation securing this loan, and said failure continues beyond any applicable grace or curative period, if any;

(3) Failure in any application of Borrower to METRO to disclose any fact reasonably deemed by METRO to be material or in any said agreements or other documents submitted in connection with said application or the

indebtedness, of any material misrepresentation by, on behalf of, or to comply with the requirements of Section II of the Loan Agreement by and between METRO and Borrower (the "Loan Agreement");

(4) The reorganization, bankruptcy, insolvency, dissolution or liquidation of Borrower;

(5) Borrower's failure to duly account to METRO's satisfaction, at such time or times as METRO reasonably may require for any of the collateral, or proceeds thereof, coming into control of Borrower;

(6) Any material adverse change to the business or assets of the undersigned or any of its principals;

(7) The transfer, sale or further encumbrance of any of the collateral and property securing this Note, without the express prior written consent of METRO; and

(8) Misuse of the loan proceeds for any purpose or use other than that designated, authorized and approved by METRO under the Loan Agreement, this Note evidencing same, and all other release and pertinent collateral documentation.

METRO's failure to exercise its rights under this paragraph shall not constitute a waiver hereof.

This Note is secured by a Mortgage dated the same date as this Note [and the Guaranty of _____.]

In the event of default of this Note by Borrower, and if same is collected by an attorney-at-law, the undersigned hereby agrees to pay all costs of collection, including a reasonable attorney's fee, with interest at the rate of twelve percent (12%) per annum.

This Note may be prepaid by Borrower in full or in part, at any time, without premium or penalty; all such prepayments shall first be applied to accrued but unpaid interest, and then to the balance of the Note, in inverse order of maturity.

If any payment shall be made more than ten (10) days after it is due, Borrower shall pay in addition a twenty-five dollar ($25.00) late payment fee.

This Note has been delivered in, and shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

If any provision, or a portion of such provision, of this Note, or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Note, or the application of such provision, or portion of such provision,

to any other person or circumstance shall not be affected thereby, and each provision of this Note shall be valid and enforceable to the fullest extent permitted by law.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment or diligence in collection of this Note, and all exceptions, whether homestead or otherwise to which it may now or hereafter be entitled under the laws of the Commonwealth of Kentucky or any other state, or of the United States, and further agrees to remain and continue bound for the payment for the principal of and interest on this Note notwithstanding any extension or extensions of the time of the payment of said principal or interest or any change or changes in the amount or amounts to be paid under and by virtue of the obligation to pay provided for in this Note, 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 waives all and every kind of notice of such extension or extensions, change or changes, and agrees that same may be made without the joinder of any person.

If the undersigned Borrower are more than one, the liability of the undersigned is joint and several.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed on the day, month and year first above written.

[NAME OF BORROWER]

By:_____

Title:_____

APPROVED AS TO FORM AND LEGALITY:
JEFFERSON COUNTY ATTORNEY

By:_____

Exhibit F

MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES

THIS MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES, executed, delivered, effective and dated this ____ day of _____, 2016, by and between **[NAME OF MORTGAGOR],** a [type of entity], having a mailing address of [_____] (hereinafter referred to as "Mortgagor") and **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, acting by and its OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT,** a Kentucky consolidated local government, having an address at 444 South Fifth Street, Suite 600, Louisville, Jefferson County, Kentucky 40202 (hereinafter referred to as "METRO").

W I T N E S S E T H:

WHEREAS, Mortgagor wishes to induce METRO to loan money to it as evidenced by the promissory note of even date herewith with the delivery thereof in the sum of **[_____ DOLLARS AND NO CENTS ($_____)]** with interest thereon at the rate provided for therein, payable to the order of METRO on or before the ____ day of _____, which date shall be the maturity date of this Mortgage, in installments as set forth therein (hereinafter called "Mortgage Note"), subject to conditions imposed in a LOAN AGREEMENT of even date (hereinafter called the "LOAN AGREEMENT").

NOW, THEREFORE, in consideration of the premises and to secure the payment of the principal of and interest on the Mortgage Note according to the terms thereof and the faithful performance of all the covenants, stipulations and agreements set out herein and in the Mortgage Note, Mortgagor does hereby grant, convey and mortgage to METRO, in fee simple, with covenant of GENERAL WARRANTY, the real property, the improvements now or hereafter erected thereon, appurtenances thereto and the rents, issues and profits therefrom (hereinafter called the "Mortgaged Property") situated in Louisville/Jefferson County Metro, Kentucky, and more particularly described on Exhibit A attached hereto and made a part hereof.

Mortgagor warrants that it is lawfully seized of the estate hereby conveyed and has the full right and power to grant, convey and mortgage the same and that the Mortgaged Property is

free and clear of all encumbrances except easements, restrictions and stipulations of record, applicable zoning rules and regulations, taxes not yet due and payable. Mortgagor covenants and agrees that:

1. The improvements, if any, on the Mortgaged Property shall be insured against loss, fire, and such other hazards as are covered by a standard extended coverage endorsement, in some insurance company or companies authorized to do business in the Commonwealth of Kentucky and acceptable to METRO until the Mortgage Note is fully paid. The policy or policies for said insurance, bearing such standard extended coverage endorsement, shall be in such amounts as METRO may reasonably require, and shall have attached thereto standard mortgagee clauses in favor of, and delivered to METRO as first mortgage lienholder. Within ninety (90) days of the date of this Mortgage Mortgagor shall provide to METRO a copy of the entire policy along with the Standard Mortgagee endorsement. In the event of loss by fire or other causes covered by said standard extended coverage endorsement, Mortgagor shall give immediate notice thereof by mail to METRO, which may make proof of loss to the insurance company if not made promptly by Mortgagor, and the insurance company or companies concerned are hereby authorized and directed to make payment for such insurance proceeds, or any part thereof, to the payment or reduction of the Mortgage Note hereby secured or to the restoration or repair of such improvements.

2. All taxes and legal assessments, water rates and other charges, fines or impositions against the Mortgaged Property shall be promptly paid by Mortgagor and upon request the receipts therefor exhibited to METRO.

3. In the event Mortgagor shall fail to keep said insurance in force or to pay said taxes, legal assessments, water rates or other charges, fines or impositions, and said failure continues beyond any applicable grace or curative period, if any, METRO may effect said insurance, or pay said taxes, legal assessments, water rates or other charges, fines or impositions. Any sums so expended by METRO will be repaid by Mortgagor upon demand with interest thereon at the rate of fifteen percent (15%) per annum, and said sums and the interest thereon shall be deemed a part of the debt secured hereby and included herein.

4. In the event any proceeding shall be instituted to condemn the entire Mortgaged Property, or any part thereto which will materially affect the Mortgagor's use of said Mortgaged Property and take the same for public use under the power of eminent domain or to enforce any lien upon or interest in the Mortgaged Property, METRO may, without notice, at its option, declare the entire unpaid balance of the Mortgage Note immediately due and payable and proceed to enforce the collection of the same and all charges and costs permitted by law and the lien of this Mortgage.

5. In the event Mortgagor shall (a) fail to pay the Mortgage Note or any installment thereon when the same shall become due and payable (whether by acceleration or otherwise) and said failure continues beyond any applicable grace or curative period, if any; or (b) fail to maintain and keep in force such insurance, fail to provide evidence of insurance as required, or fail to pay such taxes, legal assessments, water rates or other charges, fines or impositions when the same shall become due and payable, and said failure contuse beyond any applicable grace or curative period, if any; or (c) sell or permit the Mortgaged Property to be sold without the prior written consent of METRO; or (d) further mortgage or encumber the Mortgaged Property without the prior written consent of METRO; or (e) be adjudged bankrupt or insolvent, make an assignment for the benefit of creditors or be placed in receivership; or (f) in any manner fail to keep and perform any of the covenants, stipulations and agreements set out in the Mortgage Note, the Loan Agreement, or herein contained on their part to be performed, and said failure continues beyond any applicable grace or curative period, if any; then, and in any of such events, METRO may, without notice, and at its option immediately declare the entire unpaid balance of the Mortgage Note and all other indebtedness secured hereby immediately due and payable and proceed to enforce the collection of the same and all charges and costs permitted by law and the lien of this Mortgage.

6. All rents, issues and profits from the Mortgaged Property are hereby assigned to METRO, and in the event Mortgagor shall fail to keep and perform any of the covenants, stipulations and agreements set out herein, in the Mortgage Note or in the Loan Agreement on its

part to be performed and said failure continues beyond any applicable grace or curative period, if any, all such rents, issues and profits shall be paid directly to METRO by the person obligated therefor, or, METRO may, at its option, have a Receiver appointed to take charge of the Mortgaged Property and to collect such rents, issues and profits, all without consideration of the value of the Mortgaged Property as security for the amount of indebtedness secured hereby. All such rents, issues and profits paid to METRO or collected by such Receiver shall be first applied to the cost of collection thereof (including the cost of such Receivership, if any) and then to the payment of the interest on and principal of the Mortgage Note.

7. Mortgagor shall not permit the indebtedness secured by this Mortgage to be assumed without the prior written consent of METRO.

8. Failure of METRO to exercise any of its options provided for herein in the event of any violation of the warranties, covenants and agreements herein contained shall not constitute a waiver of its right to exercise such option because of any subsequent violation.

9. This Mortgage shall secure the payment of (a) all renewals and extensions of the Mortgage Note and the Loan evidenced thereby; and (b) any additional indebtedness thereto, whether direct, indirect, existing, future, contingent or otherwise, of Mortgagor to METRO.

10. This Mortgage shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties hereto.

PROVIDED, HOWEVER, that if Mortgagor shall pay the Mortgage Note according to the terms thereof and Mortgagor shall perform all the covenants, conditions, stipulations and agreements set out in the same or herein contained, then this Mortgage shall be void, and METRO shall, at Mortgagor's cost, release the same.

IN TESTIMONY WHEREOF, Witness the signature of the Mortgagor on the day and year first above written.

[NAME OF MORTGAGOR]

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ___ day of _____, 2016, by _____, as [title] of [Name of Mortgagor]**,** a [type of entity], as [his/her] free act and deed on behalf of such [type of entity].

My Commission expires: _____.

_____
NOTARY PUBLIC, STATE AT LG., KENTUCKY

<u>This Instrument Prepared By</u>:

MICHAEL J. O'CONNELL
JEFFERSON COUNTY ATTORNEY

By: _____
John A. Wilmes
Assistant Jefferson County Attorney
Fiscal Court Building
531 Court Place, Suite 900
Louisville, KY 40202
(502) 574-3348

Exhibit G

GUARANTY

In order to induce **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, acting by and through its OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT** (hereinafter called "Lender") to make a loan or loans, or renewal or extension thereof, to **[NAME OF DEBTOR],** a [type of entity], (hereinafter called the "Debtor"), the Undersigned hereby unconditionally guarantees to Lender, its successors and assigns, the due and punctual payment when due, whether by acceleration or otherwise, in accordance with the terms thereof, of the principal of and interest on and all other sums payable, or stated to be payable, with respect to the Note of the Debtor, made by the Debtor to Lender dated _____, 2016, in the principal amount of **$_____** with interest as set forth in said Note. Such Note, and the interest thereon and all other sums payable with respect thereto are hereinafter collectively called "Liabilities." The term "collateral" as used herein shall mean any funds, guaranties, agreements or other property or rights or interests of any nature whatsoever, or the proceeds thereof, which may have been, are, or hereafter may be, mortgaged, pledged, assigned, transferred or delivered directly or indirectly by or on behalf of the Debtor of the Undersigned or any other party to Lender or to the holder of the aforesaid Note of the Debtor, or which may have been, are, or hereafter may be held by any part as trustee or otherwise, as security, whether immediate or underlying, for the performance of this Guaranty or the payment of the Liabilities or any of them or any security therefor.

The maximum aggregate liability of the Undersigned is the principal amount of the Note made by Debtor to Lender and all other sums payable with respect thereto dated _____, 2016, with interest as set forth in said Note. This Guaranty terminates on the maturity date of the Note, the ____ day of _____, or such later date when the obligation in said Note has been discharged in full, whichever is later.

The Undersigned waives any notice of the incurring by the Debtor at any time of any of the Liabilities, and waives any and all presentment, demand, protest or notice of dishonor, nonpayment, or other default with respect to any of the Liabilities and any obligation of any party at any time comprised in the collateral. Subject to the rights of the holders of liens prior in time to Mortgage in favor of Lender, the Undersigned hereby grants to Lender full power, in its uncontrolled discretion and without notice to the Undersigned, but subject to the provisions of any agreement between the Debtor and any other party and Lender at the time in force, to deal in any manner with the Liabilities and the collateral, including, but without limiting the generality of the foregoing, the following powers:

(a) To modify or otherwise change any terms of all or any part of the Liabilities or the rate of interest thereon (but not to increase the principal amount of the Note of the Debtor to Lender), to grant any extension or renewal thereof and any other indulgence with respect thereto, and to effect any release, compromise or settlement with respect thereto;

(b) To enter into any agreement of forbearance with respect to all or any part of the Liabilities, or with respect to all or any part of the collateral, and to change the terms of any such agreement;

(c) To forbear from calling for additional collateral to secure any of the Liabilities or to secure any obligation comprised in the collateral;

(d) To consent to the substitution, exchange, release of all or any part of

the collateral, whether or not the collateral, if any, received by Lender upon any such substitution, exchange, or release shall be of the same or of a different character or value than the collateral surrendered by Lender; and

(e) In the event of the nonpayment when due, whether by acceleration or otherwise, of any of the Liabilities, or in the event of default in the performance of any obligation comprised in the collateral, to realize on the collateral or any part thereof, as a whole or in such parcels or private sale or sales, for cash or on credit or for future delivery, without demand, advertisement or notice of the time or place of sale or any adjournment thereof (the Undersigned hereby waiving any such demand, advertisement and notice to the extent permitted by law), or by foreclosure or otherwise, or to forbear from realizing thereon, all as Lender in its uncontrolled discretion may deem proper, and to purchase all or any part of the collateral for its own account at any such sale or foreclosure, such powers to be exercised only to the extent permitted by law.

The obligations of the Undersigned hereunder shall not be released, discharged or in any way affected, nor shall the Undersigned have any rights or recourse against Lender, by reason of any action Lender may take or omit to take under the foregoing powers.

In case the Debtor shall fail to pay all or any part of the Liabilities when due, whether by acceleration or otherwise, according to the terms of said Note, the Undersigned, immediately upon the written demand of Lender, will pay to Lender, jointly and severally, the amount due and unpaid by the Debtor as aforesaid, in like manner as if such amount constituted the direct and primary obligation of the Undersigned. Lender shall not be required, prior to any such demand on, or payment by, the Undersigned, to make any demand upon or pursue or exhaust any of its rights or remedies against the Debtor or others with respect to the payment of any of the Liabilities, or to pursue or exhaust any of its rights or remedies with respect to any part of the collateral. The Undersigned shall have no right of subrogation whatsoever with respect to the Liabilities or the collateral unless and until Lender shall have received full payment of all the Liabilities.

The obligations of the Undersigned hereunder, and the rights of Lender in the collateral, shall not be released, discharged or in any way affected, nor shall the Undersigned have any rights against Lender by reason of the fact that any of the collateral may be in default at the time of acceptance thereof by Lender or later; nor by reason of the fact that a valid lien in any of the collateral may not be conveyed to, or created in favor of, Lender; nor by reason of the fact that any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; nor by reason of the fact that any of the Liabilities may be invalid for any reason whatsoever; nor by the reason of the fact that the value of any of the collateral, or the financial condition of the Debtor or of any obligor under or guarantor of any of the collateral, may not have been correctly estimated or may have changed or may hereafter change; nor by reason of any deterioration, waste, or loss by fire, theft, or otherwise of any of the collateral, unless such deterioration, waste or loss be caused by the willful act or willful failure to act of Lender.

The Undersigned agrees to furnish Lender, or the holder of the aforesaid Note of the Debtor, upon demand, but not more often than semiannually, so long as any part of the indebtedness under such Note remains unpaid, a financial statement setting forth, in reasonable detail, the assets, liabilities, and net worth of the Undersigned.

The term "Undersigned" as used in this agreement shall mean the signer or signers of this agreement, and such signers, if more than one, shall be jointly and severally liable hereunder. The Undersigned further agrees that all liability hereunder shall continue notwithstanding the incapacity, lack of authority, death or disability of any one or more of the Undersigned, and that any failure by Lender or its assigns to file or enforce a claim against the estate of any of the Undersigned shall not operate to release any other of the Undersigned from liability hereunder. The failure of any other person to sign this Guaranty shall not release or affect the liability of any signer hereof.

This Guaranty is made, executed and entered into by the parties hereto on the day and year first above written.

GUARANTORS:

_____
[name]

_____
[name]

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Guaranty was signed, sworn to and acknowledged before me on the ____ day of _____, 2016, by [name] as [his/her] free act and deed.

My commission expires: _____.

_____
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Guaranty was signed, sworn to and acknowledged before me on the ____ day of _____, 2016, by [name] as [his/her] free act and deed.

My commission expires: _____.

_____
NOTARY PUBLIC, STATE AT LARGE, KENTUCKY