

STATEMENT OF INTENT

This Statement of Intent (this “**Statement**”) is made as of May 20, 2020 by **MCCORMACK BARON SALAZAR, INC.** (“**MBS**”) and **SPONSOR 4 SUCCESS, WEST END LLC** (“**Subdeveloper**”).

BACKGROUND

A. Louisville Metropolitan Housing Authority (the “**Authority**” or “**LMHA**”) is the owner of real property comprising approximately 31.4 acres in Louisville, Kentucky on which a public housing development known as Beecher Terrace, comprised of approximately 59 residential buildings containing 768 public housing units, is located (“**Beecher Terrace**”).

B. The Authority has procured MBS pursuant to a Request for Qualifications issued by the Authority on May 4, 2016 (the “**RFQ**”) and MBS’s response to the RFQ submitted on May 24, 2016 as the exclusive Master Developer for the On-Site Housing Strategy of the Choice Neighborhood Transformation Plan including the construction of a new, mixed-income development over multiple phases on the Beecher Terrace site (“**On-Site Housing Strategy**”). The terms “**Transformation Plan**” and “**Vision Russell Transformation Plan**” used herein mean the Transformation Plan as that term is defined in the Choice Grant Agreement (defined below).

C. The Transformation Plan for the Beecher Terrace site and Russell neighborhood will be supported by, among other sources, a Fiscal Year 2016 Choice Neighborhoods Implementation Grant (the “**Choice Grant**”) provided by the U.S. Department of Housing and Urban Development (“**HUD**”) pursuant to a Grant Agreement between the Authority and HUD dated February 6, 2017 (the “**Choice Grant Agreement**”).

D. The Authority and MBS entered into that certain Master Development Agreement (the “**MDA**”) relating to the Beecher Terrace Choice Neighborhoods Initiative Transformation dated as of August 22, 2018 pursuant to which MBS has been designated by the Authority as developer for the redevelopment of the Beecher Terrace site and implementation of the On-Site Housing Strategy.

E. The Authority, MBS and the Subdeveloper have been in discussions in connection with the development of that certain parcel which is part of the Beecher Terrace site and that are part of MBS’ procurement and the Choice Transformation Plan. The parcel is located on the northwest corner of the intersection of West Muhammad Ali Boulevard and South 9th Street in Louisville, Kentucky, exclusive of rights of way (public streets, sidewalks, tree lawns, etc.) (the “**Parcel**”), as depicted in the Development Site Map attached hereto as Exhibit A and made a part hereof by reference.

F. Subdeveloper has developed plans for the development of the Parcel (the “**Subdeveloper Plans**”) which differ from the planned development of the Parcel under the plans currently approved by the Authority, MBS and HUD in connection with the Transformation Plan.

G. The Authority, MBS, and Subdeveloper desire to coordinate efforts to advance the Subdeveloper Plans under a revised Transformation Plan, subject to: (a) HUD approval; (b) the

ability of MBS and LMHA to maintain compliance with the Choice Grant as a source of financing for the transformation of the Russell neighborhood and the Beecher Terrace site, and the requirements of the Choice Grant Agreement regarding the On-Site Housing Strategy; and (c) the revised Transformation Plan remaining consistent with the Vision Russell Transformation Plan.

In consideration of the foregoing, MBS and Subdeveloper wish to memorialize the following:

1. MBS, Subdeveloper, and LMHA are interested in MBS working with Subdeveloper to advance the incorporation of Subdeveloper's plans for the Parcel into the Transformation Plan, which, without limitation, may result in MBS and Subdeveloper entering into a sub-development agreement for the development of the Parcel (the "**Sub-Development Agreement**"). The terms of such Sub-Development Agreement will be determined by mutual agreement of MBS and the Subdeveloper, subject to review and approval of LMHA and HUD, if applicable.
2. MBS and Subdeveloper acknowledge that the Subdeveloper must evidence feasibility to proceed on development of the Parcel no later than September 1, 2020.
3. MBS agrees to work in good faith with Subdeveloper to advance the Sub-Development Agreement.
4. MBS and Subdeveloper acknowledge that Subdeveloper's plan for the Parcel must be consistent with certain principals and conditions, including, without limitation:
 - a. The development of the Parcel will consist of new construction of a two-story retail and office building and will provide approximately 77,500 square feet of retail and office space. The Project will be consistent with that certain Conceptual Site Plan, a copy of which is attached hereto as Exhibit B and made a part hereof by reference.
 - b. Subdeveloper must demonstrate to MBS and LMHA's satisfaction, in their sole and absolute discretion, that development of the Parcel is feasible, including without limitation financially feasible to develop and to operate; and to the extent that development of the Parcel requires governmental approvals, whether from federal, state or local authorities, Subdeveloper obtaining such approvals must be reasonably feasible. Such governmental approvals shall include, without limitation, HUD approval for the disposition of the Parcel, which will require a separate HUD approval or an amendment of the pending HUD disposition application, as appropriate.
 - c. The Subdeveloper Plans must be based on acquisition of the Parcel from LMHA at fair market value, with acquisition either via long-term ground lease or sale, in LMHA's sole determination and subject to HUD approval.
 - d. No Choice Grant funds or other LMHA funds will be used as a source for the Subdeveloper Plans.
5. MBS and Subdeveloper intend this Statement to be merely a statement of their intent in connection with the matters described herein, and do not intend this Statement to be a legally binding or enforceable contract. In any event, the matters set forth in this Statement

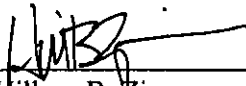
shall have no further relevance or effect on or after September 1, 2020. This Statement shall not be construed against the party who prepared it but shall be construed as though prepared by all parties jointly. The undersigned individuals represent and warrant that they are expressly and duly authorized by their respective entities or agencies to execute this Statement and to represent their respective entities or agencies with respect to the subject matter of this Statement.

[Remainder of this page left intentionally blank]

This Statement of Intent is hereby executed by the following parties as of the date set forth above.

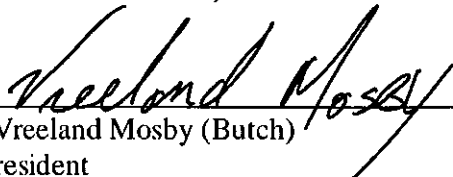
MBS:

McCORMACK BARON SALAZAR, INC.

By: 
Hillary B. Zimmerman, Vice President

SUBDEVELOPER:

SPONSOR 4 SUCCESS, WEST END LLC

By: 
Name: Vreeland Mosby (Butch)
Title: President

By its signature below, Authority hereby acknowledges this Statement for the sole purpose of acknowledging the foregoing agreement between MBS and Subdeveloper.

AUTHORITY:

LOUISVILLE METROPOLITAN HOUSING AUTHORITY,
a public body corporate and politic organized under the
laws of the State of Kentucky

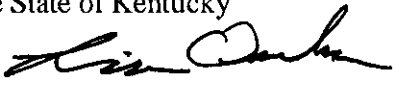
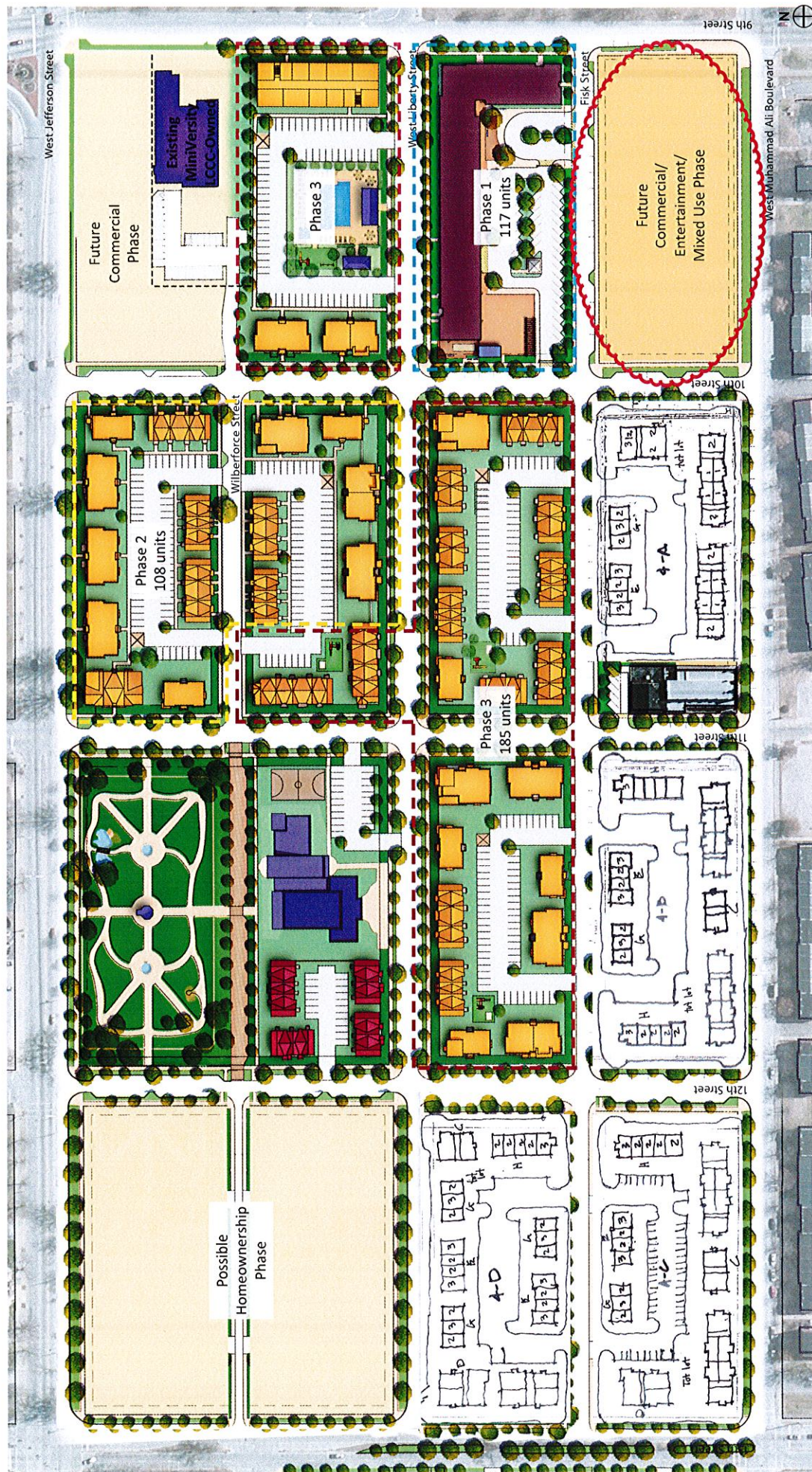
By: 
Lisa Osanka, Executive Director

Exhibit A

Development Site Map

[see attached]



BEECHER TERRACE - PROPOSED PHASES 4 & 5

OCTOBER 14, 2019

Exhibit B

Conceptual Site Plan

[see attached]



Conceptual Site Plan