

INVESTMENT GRADE RATINGS

Ratings reflect a credit rating agency’s opinion of a state’s creditworthiness relative to other borrowers in the financial markets. Ratings below Baa3/BBB-/BBB-/BBB- are considered speculative credits (“junk bonds”).

The rating agencies also assign “positive,” “stable,” and “negative” outlooks to their ratings to indicate the direction the rating is likely to move over an intermediate time period. The outlooks represent trends affecting a credit which have not reached a level warranting a change in a state’s credit rating, but may if continued. A negative outlook indicates a higher likelihood of a downgrade in a state’s credit rating while a positive outlook indicates a higher likelihood of an upgrade in a state’s credit rating.

Moody’s*		Standard and Poor’s*		Fitch*		Kroll*		Description
Long-Term	Short-Term**	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	
Aaa	MIG 1	AAA	A-1+	AAA	F1+	AAA	K1+	Prime
Aa1		AA+		AA+		AA+		High Grade
Aa2***		AA		AA***		AA		
Aa3****		AA-		AA-****		AA-***		
A1	MIG 2	A+***	A-1	A+	F1/F1+	A+****	K1/K1+	Upper Medium Grade
A2		A****		A	F1/F1+	A	K1	
A3		A-	A-2	A-	F2/F1	A-	K2/K1	
Baa1	BBB+	BBB+		F2/F1	BBB+	K2	Lower Medium Grade	
Baa2	MIG 3	BBB	A-3	BBB	F3/F2	BBB		K3/K2
Baa3		BBB-		BBB-	F3	BBB-	K3	

*Outlooks are Stable/Stable/Stable/Stable

**MIG is Moody’s acronym for Municipal Investment Grade

***Commonwealth’s issuer credit/default ratings (ICRs/IDRs)/implied general obligation ratings (effectively what the Commonwealth’s general obligation ratings would be if it were to issue general obligation debt)

****Commonwealth’s lease appropriation rating for general fund supported debt

State Investor Relations and Debt Calendar websites are <https://bonds.ky.gov> and <https://finance.ky.gov/office-of-the-controller/office-of-financial-management/Documents/CurrentBondCalendar.pdf>.

Preliminary New Bond Issue Report*

Bond Issue:

Name of Bond Issue:	Kentucky Housing Corporation Multifamily Note (Governmental) (Cedar Grove Commons Project), Series 2025
Purpose of Issue:	The Bonds will be used to finance the acquisition, rehabilitation, construction and equipping of a multifamily residential rental project containing approximately 322 units, located at 11801 E. Orell Road, Louisville, Kentucky 40272 (the "Project") to be owned by Cedar Grove Commons, LLC, a Kentucky limited liability company or its successors and assigns (the "Borrower"). The Kentucky Housing Corporation will conduct a public hearing concerning the proposed project on February 13, 2025, following the delivery of notice to the public. The Bonds, if approved, will be the sole obligations of the Borrower.
Name of Project:	Cedar Grove Commons Project
KHC Inducement:	December 12, 2024
Date of Sale:	Spring 2025 (estimated)
Date of Issuance:	Spring 2025 (estimated)
Anticipated Ratings:	Private Placement - Ratings not currently anticipated
Anticipated Net Proceeds:	\$38,400,000 bond par amount
Cost of Issuance:	See Exhibit A attached
Bond Discount:	\$0
Debt Service Reserve Fund:	\$0 but a \$2,002,093 estimated operating reserve will be funded from equity.
Insurance Premium:	N/A
Total Project Cost:	\$75,323,441
Terms of Issue:	Anticipated net interest rate: 6.25% Anticipated average debt service: \$2,111,991 (anticipated annual principal and interest debt service on permanent mortgage loan) Anticipated gross debt service: \$65,894,423
First Call Date:	TBD
Premium at First Call:	No premium
Method of Sale:	Private Placement
Bond Counsel:	Frost Brown Todd LLP
Purchaser's Counsel:	Kutak Rock LLP
Bond Purchaser:	Allianz Insurance Company of North America
Trustee/Fiscal Agent:	The Huntington National Bank

* All amounts are preliminary estimates (as of 1/23/2025) and subject to change.

Exhibit A*

Permanent Project Funding Sources:

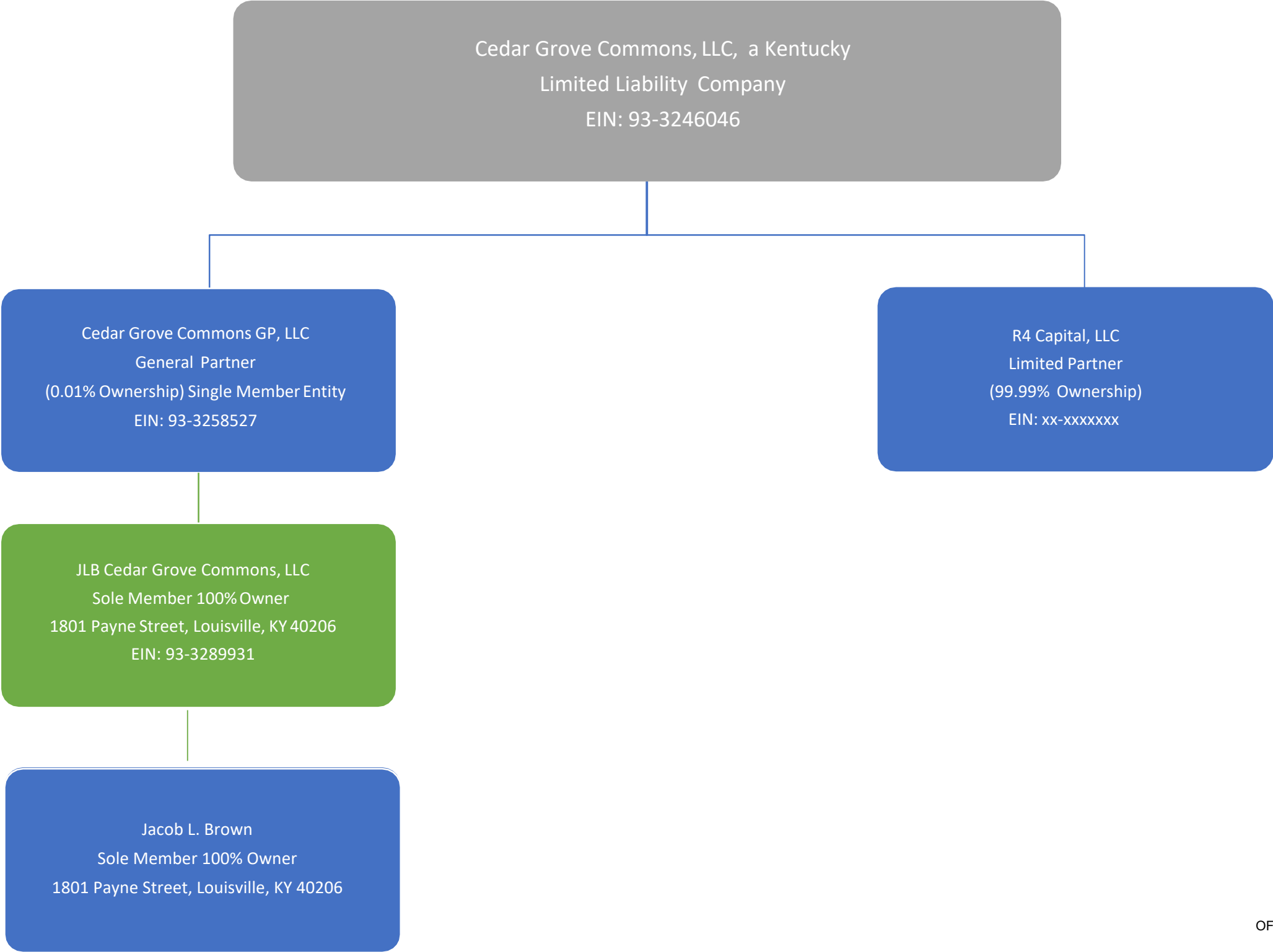
Total Tax-Exempt Bond Issuance (Bond Issue of \$38,400,000 with \$31,000,000 outstanding after completion)	\$31,000,000
Deferred Developer Fee	\$8,000,288
LIHTC Anticipated Net Syndication Proceeds (4%)	\$30,323,053
LAHTF Loan	\$6,000,000
General Partner Equity	\$100
Total Development Costs	<u>\$75,323,441</u>

Costs of Issuance:

Origination Fee	\$517,000
KHC Counsel	\$25,000
KHC Financing Fee (Upfront Issuer Fee)	\$230,400
KHC Application Fees, Reservation Fee, Other Expenses	\$406,822
KHC Admin Fee	\$5,000
Bond Counsel	\$85,000
Trustee/Fiscal Agent Counsel	\$10,000
Syndicator Counsel	\$40,000
Borrowers Counsel	\$90,000
Trustee/Fiscal Agent Fee	\$10,000
TEFRA/Publication/Print	\$15,000
Cost of Issuance Contingency	<u>\$0</u>
Total:	<u>\$ 1,434,222</u>

* All amounts are preliminary estimates (as of 1/23/2025) and subject to change.

The Cedar Grove Commons Organizational Chart of Ownership Structure



Preliminary New Bond Issue Report

Issue: **The Turnpike Authority of Kentucky**
Economic Development Road Revenue Refunding Bonds (Revitalization Projects) 2025 Series A with a principal amount not to exceed \$250,000,000

Purpose of Issue: To (i) refund certain outstanding TAK 2015 Series A and Series B for present value savings, and (ii) pay cost of issuance.

Proposed Date of Sale: March 11, 2025
Proposed Date of Delivery: April 2, 2025

Ratings:
Moody's TBD

Sources:	2025 Series A
Par amount of bonds:	\$53,880,000.00
Premium:	\$4,247,730.55
Total Sources:	<hr/> \$58,127,730.55

Uses:	
Refunding Escrow Deposit	\$57,799,544.96
Costs of Issuance:	\$328,185.59
Total Uses:	<hr/> \$58,127,730.55

All-in True Interest Cost: 3.294%
Final Maturity Date: 7/1/2035
Average Annual Debt Service: \$6,522,232.58
Total Debt Service: \$66,834,766.67
Average Life (years): 4.809

Refunding Summary:

Bond Issue Being Refinanced:	See Summary of Bonds Refunded (attached)
Par Amount of Refunded Bonds:	\$56,955,000.00
Net PV Savings:	\$3,099,753.30
Percentage Savings of Refunded Bonds:	5.442%

Method of Sale: Negotiated
Bond Counsel: Dinsmore & Shohl, LLP
Underwriter: JP Morgan
Underwriters' Counsel: Stites and Harbison
Trustee: The Bank of New York Mellon Trust Company
Financial Advisor: Office of Financial Management

Preliminary cashflows as of 1/8/2025
Preliminary Subject to Change

BOND DEBT SERVICE

The Turnpike Authority of Kentucky
 Economic Development Road Revenue Refunding Bonds
 (Revitalization Projects) 2025 Series A
 Preliminary
 Rates as of January 8, 2025

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2025	585,000	5.000%	666,016.67	1,251,016.67
07/01/2026	17,145,000	5.000%	2,664,750.00	19,809,750.00
07/01/2027	3,280,000	5.000%	1,807,500.00	5,087,500.00
07/01/2028	3,440,000	5.000%	1,643,500.00	5,083,500.00
07/01/2029	3,615,000	5.000%	1,471,500.00	5,086,500.00
07/01/2030	3,795,000	5.000%	1,290,750.00	5,085,750.00
07/01/2031	3,985,000	5.000%	1,101,000.00	5,086,000.00
07/01/2032	4,180,000	5.000%	901,750.00	5,081,750.00
07/01/2033	4,395,000	5.000%	692,750.00	5,087,750.00
07/01/2034	4,615,000	5.000%	473,000.00	5,088,000.00
07/01/2035	4,845,000	5.000%	242,250.00	5,087,250.00
	53,880,000		12,954,766.67	66,834,766.67

SUMMARY OF BONDS REFUNDED

The Turnpike Authority of Kentucky
 Economic Development Road Revenue Refunding Bonds
 (Revitalization Projects) 2025 Series A
 Preliminary
 Rates as of January 8, 2025

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Economic Development Road Revenue Bonds, 2015 Series A, SER:					
	07/01/2026	5.000%	2,520,000	07/01/2025	100.000
	07/01/2027	3.125%	3,645,000	07/01/2025	100.000
	07/01/2028	5.000%	3,755,000	07/01/2025	100.000
	07/01/2029	5.000%	3,945,000	07/01/2025	100.000
	07/01/2030	5.000%	4,140,000	07/01/2025	100.000
	07/01/2031	5.000%	4,350,000	07/01/2025	100.000
	07/01/2032	5.000%	4,565,000	07/01/2025	100.000
	07/01/2033	5.000%	4,795,000	07/01/2025	100.000
			31,715,000		
Economic Development Road Revenue Bonds, 2015 Series A, TER35:					
	07/01/2035	4.000%	10,270,000	07/01/2025	100.000
Economic Development Road Revenue Refunding Bonds, Series 2015B, SER:					
	07/01/2026	5.000%	14,970,000		
			56,955,000		

SAVINGS

The Turnpike Authority of Kentucky
 Economic Development Road Revenue Refunding Bonds
 (Revitalization Projects) 2025 Series A
 Preliminary
 Rates as of January 8, 2025

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/02/2025 @ 3.1615899%
07/01/2025	1,338,353.13	1,251,016.67	87,336.46	86,661.78
07/01/2026	20,166,706.26	19,809,750.00	356,956.26	343,351.37
07/01/2027	5,447,206.26	5,087,500.00	359,706.26	335,183.85
07/01/2028	5,443,300.00	5,083,500.00	359,800.00	325,275.05
07/01/2029	5,445,550.00	5,086,500.00	359,050.00	314,464.59
07/01/2030	5,443,300.00	5,085,750.00	357,550.00	303,370.41
07/01/2031	5,446,300.00	5,086,000.00	360,300.00	296,150.34
07/01/2032	5,443,800.00	5,081,750.00	362,050.00	288,283.94
07/01/2033	5,445,550.00	5,087,750.00	357,800.00	275,982.54
07/01/2034	5,445,800.00	5,088,000.00	357,800.00	267,341.45
07/01/2035	5,444,400.00	5,087,250.00	357,150.00	258,782.38
	70,510,265.65	66,834,766.67	3,675,498.98	3,094,847.71

Savings Summary

PV of savings from cash flow	3,094,847.71
Plus: Refunding funds on hand	4,905.59
Net PV Savings	3,099,753.30