

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

**THIS LOAN AGREEMENT** ("Agreement") is made and entered into this \_\_\_ day of September, 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 **ALEXANDRA MCCOY** whose principal address is 213 Norway Street, Lexington, Kentucky 40503 (hereinafter referred to as the "Borrower").

**WITNESSETH:**

**WHEREAS**, pursuant to Chapter 2, Article XXXXV, 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 XXXXV, 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 February 28, 2019 (hereinafter referred to as the "Application" attached hereto 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 April 22, 2019, 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 **FIFTY ONE THOUSAND THREE HUNDRED SIX AND 00/100 DOLLARS (\$51,306.00)** ("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 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. All unpaid or unforgiven principal and accrued interest shall be due October 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 1.3 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 SALE OF PROPERTIES PRIOR TO JANUARY 1, 2025.** The sale of the property Assisted by this loan prior to January 1, 2025 that results in the removal of the deed restriction shall result in the Borrower repaying LFUCG the total funds expended (\$51,306.00) and interest on the total funds expended at a rate of 5% calculated from the date of the final draw of Affordable Housing Funds.

**1.3 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).

**1.4 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 405 Lenney Drive, 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 rehabilitation 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) proof of costs in adherence to LFUCG's requirements for draws and inspections for the Program activity under this Agreement (construction draws);
- (d) 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.** Two of the units in the Property must remain affordable to persons at or below eighty percent (80%) and two of the units must remain affordable to persons at or below fifty percent (50%) 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.

**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 ONE THOUSAND SIX HUNDRED AND 00/100 DOLLARS (\$1,600.00) 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 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 undismissed 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 then (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:** Alexandra McCoy  
213 Norway Street  
Lexington, Kentucky 40503

LFUCG: Lexington-Fayette Urban County Government  
101 East Vine Street, Suite 100  
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.

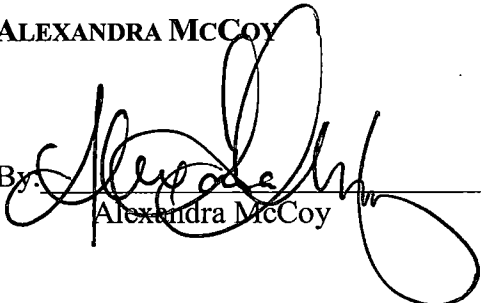
7.11 **INVALID PROVISIONS.** The invalidity or unenforceability of a particular provision of this Agreement will not affect the other provisions hereof, and this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted.

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

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**

By:   
Linda Gorton, Mayor

ATTEST:  
  
Clerk, Urban County Council

**ALEXANDRA MCCOY**  
By:   
Alexandra McCoy



**EXHIBIT A**



# 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:** Alexandra (Allie) McCoy

**MWBE Status:** N/A

**Tax Status:** Non-Profit (CHDO)

**Type of Entity:** General Partnership

**Development Name:** Lenney Drive?

**Development Location:** 405 Lenney Drive, Lexington, KY 40517

**Contact Person:** Allie McCoy

**Contact Title:** Owner

**Mailing Address:** 213 Norway Street, Lexington, KY 40503

**City:** Lexington **State:** KY **Zip:** 40503

**Phone:** 859 492 1899

**Fax:** N/A

**Email Address:** allie.mccoy15@yahoo.com

**Funds Requested:** \$ 55,000.00

## 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: Alexandra Lynn McCoy

Title: owner

Date: 2/28/19



Other Funding (Specify on Pro-Forma): *Personal Funding and private money. purchase price \$175k and private money loan amount \$200k*

Total Development Cost: *60,000 projected* *After \$5k & closing costs*

**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: *4*

Total Number of Buildings: *1*

**Square Feet of Units by Bedroom Size:**

<i>1</i>	Unit Size: <i>2 bed/ 1 bath</i>	Square Footage: <i>850 sqf</i>
<i>2</i>	Unit Size: <i>1 bath</i>	Square Footage: <i>850 sqf</i>
<i>3</i>	Unit Size: <i>↓</i>	Square Footage: <i>850 sqf</i>
<i>4</i>	Unit Size: <i>↓</i>	Square Footage: <i>850 sqf</i>
	Unit Size:	Square Footage:

**Monthly Rents by Bedroom Size:**

<i>1</i>	Unit Size: <i>2 bed/ 1 bath</i>	Monthly Rent: <i>\$ 550</i>
<i>2</i>	Unit Size: <i>" "</i>	Monthly Rent: <i>\$ 700</i>
<i>3</i>	Unit Size: <i>" "</i>	Monthly Rent: <i>\$ 700</i>
<i>4</i>	Unit Size: <i>" "</i>	Monthly Rent: <i>\$ 475</i>
	Unit Size:	Monthly Rent:

Target Area Median Income (AMI): *1 plan to lease the 4 units to households whose income is less than 80% of area median income. - program guidelines, page 3.*

**Amenities (Check all that apply):**

- Stove:
- Refrigerator:
- Dishwasher:
- Garbage Disposal:

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

**Location Amenities (Check all that apply):**

Public Transportation: <input checked="" type="checkbox"/>	Proximity to Development: 500ft.	Description: 3713 Camelot Stop off Camelot Drive
Shopping: <input checked="" type="checkbox"/>	Proximity to Development: 1.2 miles	Description: Fayette Mall & Aldi
Restaurants: <input checked="" type="checkbox"/>	Proximity to Development: 1.8 miles	Description: Walmart
Medical Facilities: <input checked="" type="checkbox"/>	Proximity to Development: 0.2 miles	Description: Tates Creek Center - Ramsey's
Banks: PNC & Chase <input checked="" type="checkbox"/>	Proximity to Development: 0.9 miles	Description: Baptist Health Medical Group & Family Medicine
Other: Grocery <input checked="" type="checkbox"/>	Proximity to Development: 0.9 miles	Description: Kroger/grocery - tates creek center

*3.8 miles - Baptist Health Hospital*

**Populations to be Served (Check all that apply):**

Elderly:   
 Single Parent:   
 Homeless:  - in transition  
 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:**

N/A

## 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 - Alexandra (Allie) McCoy
- B. Development owner (legal entity that will own the property) Alexandra McCoy
- C. Consultant - Grand Properties
- D. Application preparer - Alexandra McCoy
- E. General Partner - N/A
- F. Architect - N/A
- G. Contractor - Grand Properties
- H. Attorney - Thurman, White & Anderson
- I. Management company - N/A
- J. Service provider -
- K. Guarantor - Private Lender through April 2019, Park Community Credit Union for perm. financing.
- L. Equity provider/syndicator - N/A

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.

See back - marked (2)

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.

NO

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.

NO

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.

NO

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?

NO

If YES, furnish details in a separate attachment.

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. NO

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. NO

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. NO

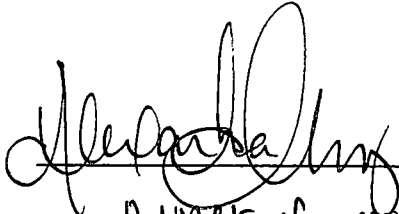
10. Has any member of the development team been denied a business-related license or had it suspended or revoked by any administrative, governmental, or regulatory agency?

If YES, furnish details in a separate attachment. NO

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. NO

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

Signature:  Date: 2/15/19  
Title: owner of property - 405 Lenney Drive

Projected Pro-Forma — 405 Lennay Drive, 2019-2033

Assumptions:

Lease Amounts -

Unit 1 \$600, Unit 2 & 3 \$700, Unit 4 \$550

Annual rent increase of 2%

Annual expense increase of 3%

Vacancy rate of 10%

Operating expense 1% of property cost at \$175K (\$1,750),

Property tax (\$1,728.84), annual insurance bill (\$2076.87)

Table 1

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Rental Income	\$27,540.00	\$28,091.00	\$28,653.00	\$29,226.00	\$29,811.00	\$30,407.00	\$31,015.00	\$31,635.00	\$32,266.00	\$32,913.00	\$33,571.00	\$34,242.00	\$34,927.00	\$35,626.00	\$36,339.00
Operating Expenses	\$5,556.00	\$5,722.00	\$5,894.00	\$6,071.00	\$6,253.00	\$6,441.00	\$6,634.00	\$6,833.00	\$7,038.00	\$7,249.00	\$7,466.00	\$7,615.00	\$7,843.00	\$8,078.00	\$8,320.00
Reserve for Replacement	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00
Net Operating Income	\$20,384.00	\$20,769.00	\$21,159.00	\$21,555.00	\$21,958.00	\$22,366.00	\$22,781.00	\$23,202.00	\$23,630.00	\$24,064.00	\$24,505.00	\$25,027.00	\$25,484.00	\$25,948.00	\$26,419.00
Annual Debt Service	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00	\$14,592.00
Net Cash Flow After Debt Service	\$5,792.00	\$6,177.00	\$6,567.00	\$6,963.00	\$7,366.00	\$7,774.00	\$8,189.00	\$8,610.00	\$9,038.00	\$9,472.00	\$9,913.00	\$10,435.00	\$10,892.00	\$11,366.00	\$11,827.00

## Application for funding through Fayette County Affordable Housing Fund

My name is Allie McCoy and I am a real estate investor in Fayette County. I began with my first purchase of a duplex on Kingtree Court. Over the next 2 years I acquired 2 more duplexes. One on Trent Blvd and the other on Garden Springs. Each of these projects involved renovation and managing tenants. I have successfully turned over and rented 4 of the 6 units, 2 times. During several of the turnovers, I had a lot of guidance from Grand Properties. They started in 2014 with their first flip and have been greatly successful in their endeavors ever since.

As I have ventured further into this business it has become abundantly clear to me that Lexington has a shortage of affordable housing. My goal is to identify properties that are at a price point that makes it feasible to update them and rent at a rate that lower income tenants can afford.

My current project at 405 Lenney Dr. The renovation is quite extensive. The grant money would allow me to maintain a profitable status while renting at an affordable rate. This will keep 4 units in that category of "affordable housing" for Fayette County residents.

While I have only 2 1/2 years under my belt in real estate, I have the full support and guidance of Grand Properties. I asked them to give me a small amount of information about them for this proposal:

Grand Properties, LLC was Organized by Steven and Christy McCoy as a real estate investing company in October 2014. We are Lexington natives and love this city. We do a combination of renovation for resale and acquisitions for long-term rental units.

Our business model is designed around using the proceeds from our flip projects to fund our buy-and-hold rental properties.

We have purchased 52 properties in that time and the majority of those have needed some degree of renovation.

We currently have 34 rental units mainly serving middle to lower income tenants. Our service area includes a heavy concentration in Woodhill, Center Parkway and the Meadows. We have a smaller number in the Glendover area.

Over the course of renovating more than 40 properties we have developed a strong team of sub-contractors and "handymen".

As we acquire a property and prepare it for service as a rental we inspect and overhaul any part of the structure or systems that are in disrepair.

Our team includes:

non-skilled labor for demo and project prep.

Electrician- Anthony Kelly

Plumbers- Mulligan Plumbing, Daughnauer plumbing and Johnathan Wessling

HVAC- bluegrass mechanical, Lex Electric & HVAC and GW Heating and Cooling.

Roofing, gutters and soffits- United Contracting, Envious Home Solutions and Roofs Tomorrow

Flooring- Rite Rug and Carpet One

Painting- Donnie Covington, JD Compkis, Steve Gudenkauf.

We pride ourselves in providing a nice place to live.

a/b.) Market analysis and project description

Looking at the neighborhood and the current rentals available, this home on Lenney is on par with the rent rates in the area, and is by far the most updated/clean home available. Providing safe, energy efficient and affordable homes to tenants who are below the 80% median income is important for the community and overall county. Rent rates are rising, and finding affordable housing is becoming increasingly difficult to find. Improving this property with the funding from Fayette County Affordable Housing Fund, will be a long term investment. Your funding will provide housing, at an affordable rate for tenants in the 80% median income and below, that will be comfortable, clean and energy efficient.

As a recipient of this grant, I pledge to partner with Fayette County in an effort to provide more safe, clean, energy efficient and affordable housing.

#### Map Key - Drop Pins

Public Transportation - Map "A":

- This symbol (drop pin) on map "A" indicates the public transportation nearest to 405 Lenney Drive. From then sidewalk in front of the property, the first "drop pin," is less than 500 feet from the property.

Shopping - Map "B":

- Pin #1 - Walmart Supercenter (off Nicholasville Road), a store that provides not only shopping for clothes, but groceries as well, is 1.8 miles from 405 Lenney Drive.
- Pin #2 - Aldi; grocery store. This location is 1.4 away.
- Pin #3 - Fayette Mall; mall, clothes shopping and a wide variety of other shopping items. This location is 1.2 miles away.
- Pin #4 - Kroger; groceries. This location is 0.9 miles away.
- Pin #5 - Walmart Neighborhood Market; groceries. This location is 1.4 miles away.

- Pin #6 - The Summit at Fritz Farm/Whole Foods; shopping/groceries. This location is 1.7 miles away.

#### Restaurants - Map "C":

- Pin #1 - The Cheesecake Factory is approximately 1.2 miles away.
- Pin #2 - Bella Notte is approximately 1.5 miles away.
- Pin #3 - The Summit at Fritz Farm is approximately 1.9 miles away.
- Pin #4 - Giuseppe's Ristorante Italiano & Bar is approximately 2.6 miles away.
- Pin #5 - Cheddars Scratch Kitchen is approximately 1.3 miles away.
- Pin #6 & 7 - A variety of quick and easy "sit down restaurants," such as Ramseys Diner and fast food locations such as Taco Bell, are located in Tates Creek Center. This location is approximately 0.9 miles away.

#### Banks - Map "D"

- Pin #1 - Commonwealth Credit Union is located approximately 2.0 miles away.
- Pin #2 - A PNC bank location in Tates Creek Center is approximately 0.9 miles away.
- Pin #3 - Another PNC bank location in the Fayette Mall area is approximately 1.4 miles away.
- Pin #4 - Chase bank is located approximately 1.4 miles away.
- Pin #5 - Traditional bank is located approximately 2.4 miles away.

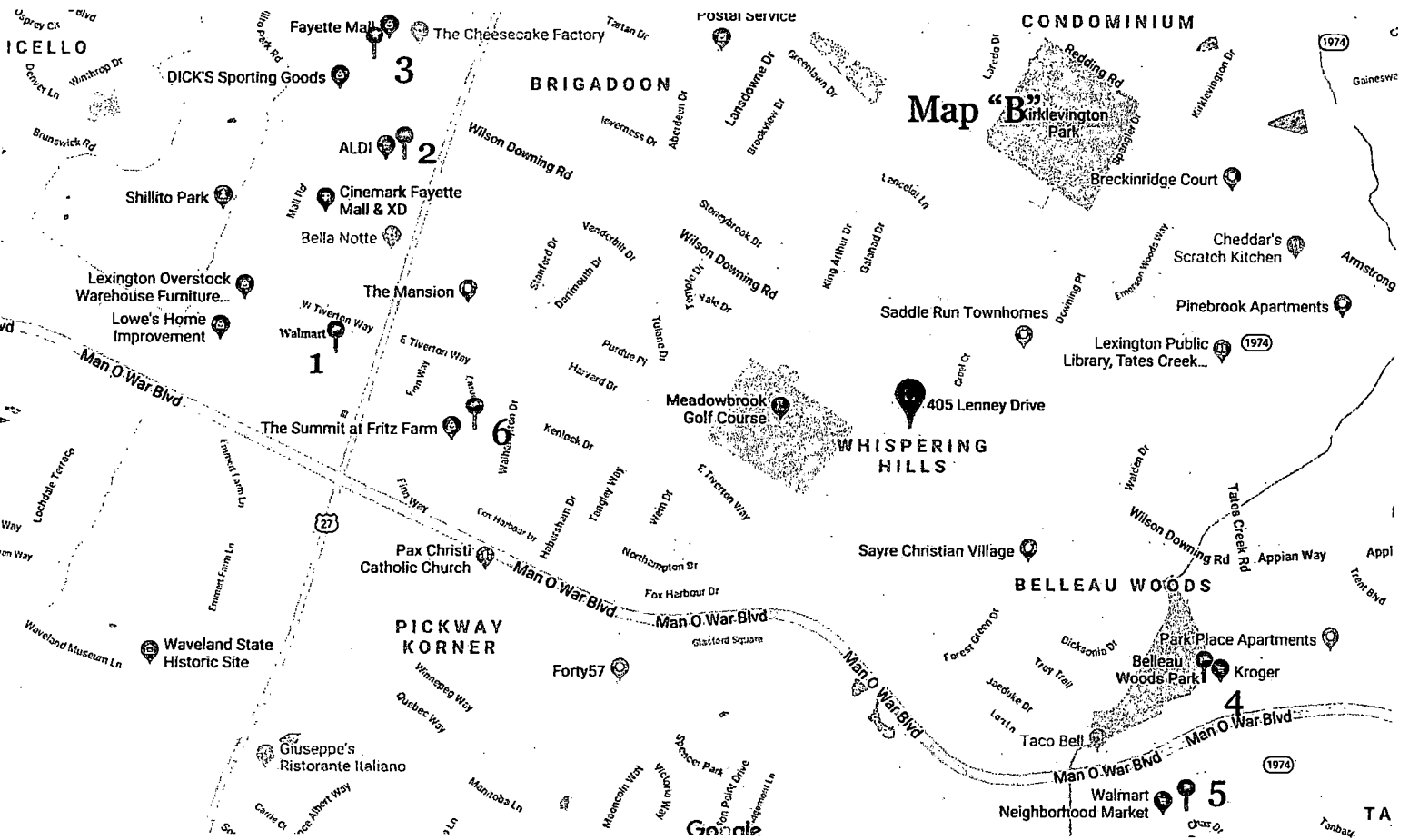
#### Medical Facilities - Map "E"

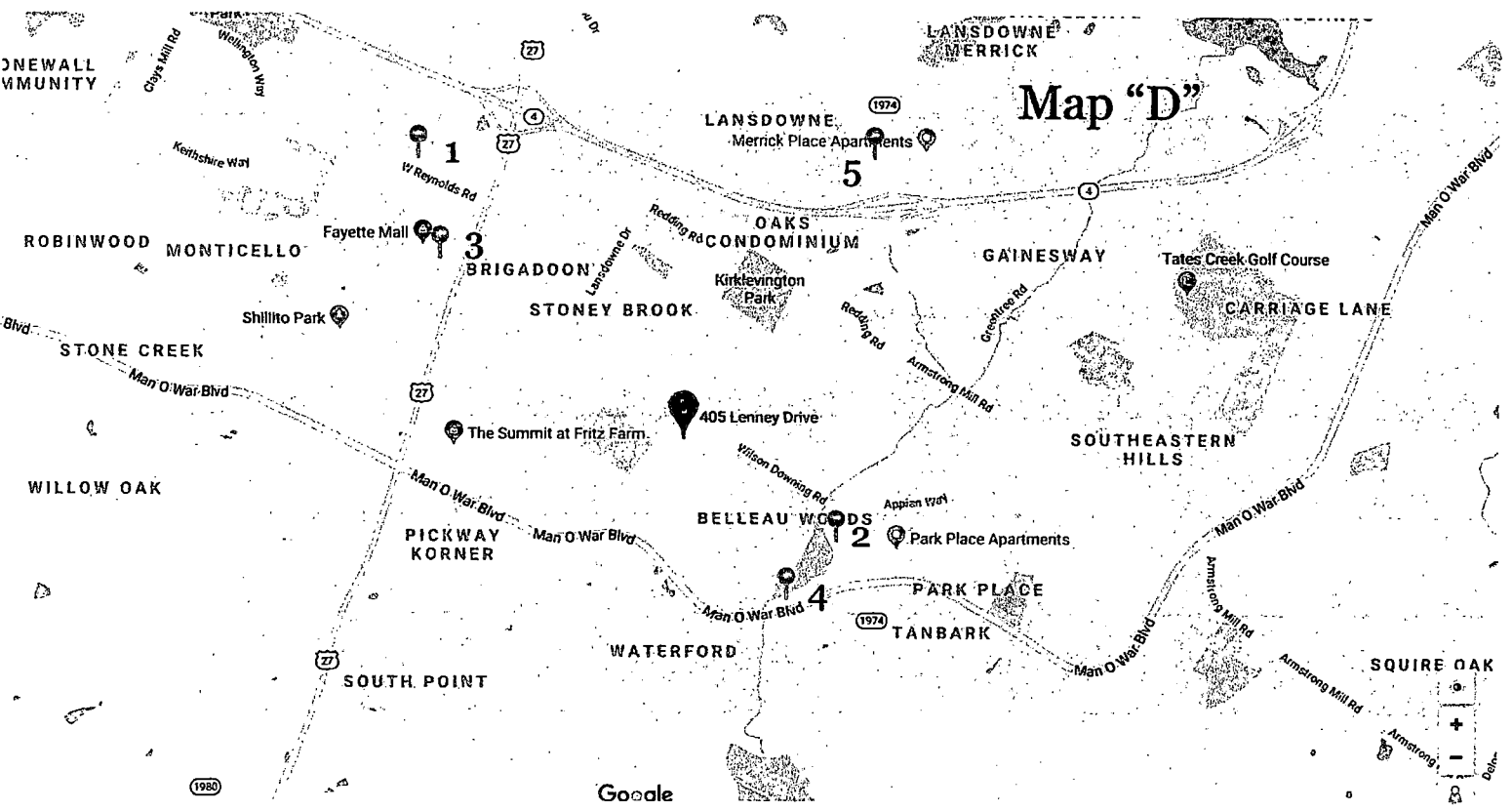
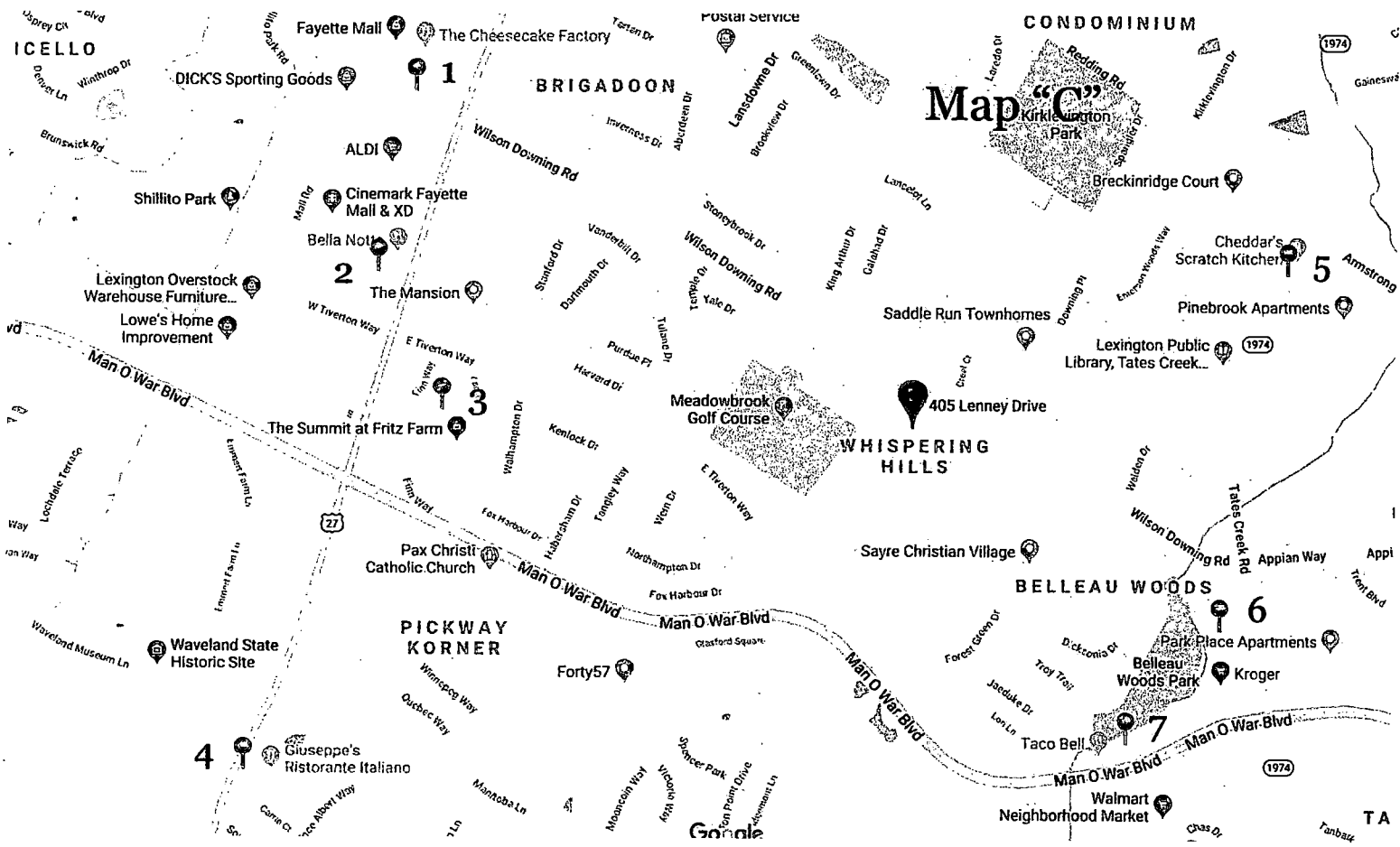
- Pin #1 - The University of Kentucky Hospital has a wide range of healthcare facilities inside the building and around the hospital campus. This includes womens health/OB, the VA, cancer treatment facility, The Lexington Clinic (wide variety of clinical treatment options/primary care providers) etc. Including one of the best emergency treatment facilities in the state! This location is approximately 4.4 miles away from 405 Lenney Drive.
- Pin #2 - Baptist Health Hospital also provides a wide range of healthcare, similar to UK hospital. This location is approximately 3.6 miles away.
- Pin #3 - St. Joseph East Hospital is located approximately 5.7 mile away.
- Pin #4 - St. Joseph Hospital is located approximately 6.1 miles away.
- Pin #5 - Concentra Urgent Care Facility is located 2.6 miles away.



Southern Middle School

# Map "A"





The windows were original and were in need of replacement. The Window Source of Lexington was contracted to replace all of them with energy efficient double hung windows and to wrap the casings in metal. With the energy efficiency, tenants will have a lower electricity bill and a well insulated home.

The interior needed/needs full updates.

As the kitchen and bathroom were being updated it was clear that the old cast iron plumbing needed to be replaced. We called our established plumber, James Haddix with Mulligans Plumbing. I have used him on many different projects throughout my 3 years of property ownership and Grand Properties has as well.

Mulligan Plumbing has completed the work for 2 of the 4 units to date. Both units have new piping to the sinks, dishwasher, tub, toilet and vanities.

The ceilings, walls, doors and trim were painted in unit 2 & 3. Tony Pencil completed that work. He is a licensed contractor whom I've used before in another small project on a duplex in 2018.

While he started with the paint, I hired another general contractor, Terry Moberly, who came highly recommended by not only Grand Properties, but another member of the Bluegrass Real Estate Investors Group, Mike Flynn. Terry started work in the downstairs unit bathroom, replacing some wood around the window.

Our flooring choice for durability and cleanliness is luxury vinyl plank. The addition expense on this product at installation is well worth it knowing that it will last for many years longer than carpet.

All of the units will have this product throughout.

We used the general contractor, Thomas Torres, to lay the flooring as well as other punch work items around both vacant units. I've used him on 2 other small projects in 2 separate duplexes in the last year. He has also worked on a good amount of Grand Properties projects throughout this last year as well.

AK electric was contracted for the completed electrical work needed for the property. AK electric is run by Anthony Kelley, a licensed electrician. He has worked on many projects for my properties as well as Grand Properties over the last 4-5 years.

After the appliances and cabinets were purchased, delivered and installed, Thomas completed the installation of the countertops in the vacant units.

Bluegrass Mechanical installed the most recent feature added to the property; 3 brand new energy efficient HVAC systems.

h.) pro-forma, added as an attachment.

i.)

Purchase price: \$175,000 (private money)

Rehab Cost: \$55,000 (25k private money, remaining amount from personal funds)

Totaling = \$230,000

### Rehab Expenses

Plumbing \$3,600

### Materials

12/27/18 \$97.20 (framing materials)

Framing	\$420.85	12/28/18	\$35.35 (framing materials)
Floor Joists/Repair	\$645	1/7/19	\$175.68 (floor joist repair)
Tree Removal \$2,500		1/9/19	\$1632.40 (flooring)
Demo	\$500	1/10/19	\$270.30 (paint for 2&3)
Dump	\$46	1/15/19	\$455.80 (paint, kilz & quarter round)
Paint & Drywall (Unit 2 paint/drywall - Unit 3 Kilz floor)	\$1175	1/13/19	\$63.60 (partial cabinet order)
Lay Flooring	\$1800		
Electrical	\$595	1/13/19	\$2882.10 (cabinets)
Paint & Drywall (Unit 3)	\$1215	1/19/19	\$1,762.03 (bath items)
		1/21/19	\$349.80 (partial cabinet order)
Misc. work Unit 2&3	\$302.50		
		1/23/19	\$34.98 (door paint)
Cabinet Install 2&3	\$650	1/24/19	\$71.40 (drywall & quarter round)
Roof	\$10,060		
		1/25/19	\$184.62 (sink, door knobs)
Countertops Unit 3	\$125	1/28/19	\$15.52 (countertop wood)
Windows	\$9,028.80	1/30/19	\$2,618.63 (appliances)
Heating & AC Units \$6,900		2/1/19	\$82.68 (faucet replace #4)
		2/11/19	\$244.13 (punch list items)

**Total (as of 2/26/19)**  
**\$39,563.15**

**Materials Total (as of 2/26/29)**  
**\$10,976.22**

**PROJECT TOTAL (thus far)**  
**\$50, 539.37**

Debt Service: \$3333.34 (January 2019 & February 2019)

I.) Purchase on 12/10/18, 80% completion by 3/15/19, the remaining amount will be completed as the current tenants leave and make the units available for updating.

I would appreciate your consideration for this grant and I pledge to be a good steward of the funds and maintain a nice property for my tenants.

**EXHIBIT B**

1. The residential unit is inspected and accepted by the Public Office of Affordable Housing.
2. At least two of the units must be rented to households whose income is less than 80% of the area median income.
3. A 15 year Deed Restriction is placed on the property requiring 2 units be leased to households whose income is at or below 80% of area median income and 2 units are leased to households whose income are at or below 50% of area median income.
4. If you sell the property within 5 years from the date of the Loan Agreement and the sale results in the removal of the Deed Restriction, the entire amount (\$51,305) plus interest at a rate of 5% calculated from the date of the Loan Agreement will be payable to LUCC.
5. The fiscal 2020 Lexington Affordable Housing Fund includes at least \$2 million for the Affordability Housing Fund.

The Board of Directors of Lexington-Fairlee County Urban County Government (LUCC) Affordable Housing Fund has approved a \$51,305 allocation for the contribution of 4 units at 405 Loring Drive. The allocation will be in the form of a 15 year mortgage loan with 2/15" as the loan for even year year. The property will be in compliance with Affordability Housing Fund guidelines.

Ms. Barbara McCoy  
 213 Norway Street  
 Lexington, MA 02403

April 22, 2019

LEXINGTON

