

AGREEMENT

THIS AGREEMENT, made and entered into this 10th day of December, 2013, by and between Lexington-Fayette Urban County Government an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Kentucky 40507 (hereinafter referred to as "Government"), and **LEXINGTON HABITAT FOR HUMANITY**, a Kentucky non-profit corporation pursuant to KRS Chapter 273, and whose mailing address is 700 East Loudon Avenue, Lexington, Kentucky 40505 (hereinafter referred to as "Grantee").

RECITALS

WHEREAS, the Government has entered into a Memorandum of Agreement with Office of the Attorney General of Kentucky, whereby the Government will receive Seven Hundred Fifty Nine Thousand One Hundred and Twenty Five Dollars (\$759,125.00) in LPS Settlement Funds to fund and administer identified housing programs that provide assistance to individuals who have been impacted by foreclosure; provide incentives for acquisition, rehabilitation and/or resale or rental of properties that have been the subject of foreclosure; and counsel individuals facing foreclosure or trying to rebuild credit following a foreclosure;

WHEREAS, Grantee has been selected to receive \$125,000 for the construction of a minimum of two houses for homeownership for qualified low-income households in Fayette County; and

WHEREAS, the Government's obligation includes the execution of a written agreement with the Grantee.

NOW THEREFORE, in consideration of the foregoing and mutually agreed upon promises, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE IObligations of the Government:

1. To provide up to One Hundred Twenty-Five Thousand Dollars (\$125,000) of grant funds for the construction of a minimum of two single family residential units for ownership by low-income households.
2. To prepare and submit any necessary reports to the Office of the Attorney General of Kentucky.
3. To share responsibilities with the Grantee for the approval of disbursements of the grant funds.
4. To monitor Grantee in operation of herein described program.

ARTICLE IIObligations of Grantee:

1. The Grantee agrees that funds allocated under this Program will be used in conjunction with other available sources of funding to develop safe and affordable housing for ownership by low-income renters. In implementation of this project Grantee will comply with its Partner Family Manual, dated August 2013, attached as Exhibit I.

2. The Grantee agrees that units financed with herein described funds will be transferred upon completion to low-income households for homeownership. Low-income households are those households with adjusted gross incomes at or below sixty percent (60%) of the median income for the community. The definition of income for this project is the same as the U.S. Department of Housing and Urban Development's Section 8 (Part 5) Annual (gross) Income.
3. The Grantee agrees to comply with the Kentucky Building Code, as applicable. The Grantee agrees to comply with all local and state laws regarding the submission of plans and specifications to, and approval by, the appropriate Building Official prior to the start of construction. .
4. The Grantee shall obtain or cause to be obtained all necessary permits, licenses and approval from the appropriate governmental entities for performance of the herein described scope of work.
5. The Grantee shall provide to the Government a completion report on each unit developed to include sources and uses of all funds, family income, family size, race, ethnicity, disability, and veteran status. Completion report shall include copies of Certificate of Occupancy and copy of Deed conveying property to the homebuyer.
6. The Grantee shall expend all funds made available under this agreement by June 30, 2015.
7. The Grantee shall cooperate fully with the Government in order to facilitate the obligations set out in this Agreement.

ARTICLE III

Additional Provisions:

1. The Grantee shall expend all grant funds solely for the implementation of the Project as provided for by this agreement. Funds may be expended for acquisition, demolition, construction, and other appropriate costs related to the herein described project.
2. The Grantee shall submit invoices to the Government's Division of Grants and Special Programs including copies of all invoices for which the Grantee is requesting reimbursement. Grantee may request up to \$25,000 advance payment per unit upon submission of building permit and evidence of family selection. Remainder of funds shall be paid upon completion of the unit and submission of completion report.
3. The Grantee must maintain current and accurate records necessary to document compliance with the agreement requirements for a period of three (3) years following final expenditure of agreement funds. The Government, its employees and its designees shall have access to and the right to inspect, copy, audit, and examine all such records. The Grantee shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by Government, or other authorized officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.
4. The Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, ancestry, national origin, sexual orientation, marital status, familial status, handicap, disability or other basis prohibited by applicable law. Grantee shall state in all solicitations or advertisements for employees that all qualified applicants will receive equal consideration for employment without regard to race, color, creed, religion, sex,

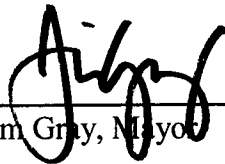
age, ancestry, national origin, sexual orientation, marital status, familial status, handicap, disability or other basis prohibited by applicable law.

5. The Grantee agrees to comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-20), as amended, Title VI of the Civil Rights Act of 1964 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.
6. The Grantee will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Grantee may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
7. The Grantee agrees to defend, indemnify, and hold harmless Government from any and all losses or claims of whatever kind, that are in any way incidental to, or connected with, or that arise or are alleged to have arisen, directly or indirectly, in whole or in part, from the execution, performance, or breach of this agreement by Grantee, including any environmental problems, including, without limitation, soil and/or water contamination, and remedial investigations and feasibility studies thereof, which exist at or prior to the agreement commencement date, regardless of when such losses or claims are made or incurred. This indemnity agreement shall in no way be limited by any financial responsibility, or loss control requirements below, and shall survive the termination of this agreement;
 - For the purposes of this Indemnity Provision:
 - The word "defend" includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims at Grantee's expense, using attorneys approved in writing by Government, which approval shall not be unreasonably withheld.
 - The word "claims" includes, but is not limited to, claims, demands, liens, suits, notices of violation from Governmental agencies, and other causes of action of whatever kind.
 - The word "losses" includes, but is not limited to: attorney fees and expenses; costs of litigation; court or administrative costs; judgments; fines; penalties; interest; all environmental cleanups and remediation costs of whatever kind; and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of Grantee and Government, and damage to or destruction of, any property, including the property of Government.
8. No right, benefit, or advantage inuring to the Grantee and no burden imposed on Grantee hereunder may be assigned or otherwise transferred without the prior written approval of the Government.
9. This agreement or any part hereof, may be amended from time to time hereafter only in writing executed by the Government and Grantee.
10. This agreement can be terminated upon a 30-day written notice if Grantee fails to comply with any term of the Agreement. This Agreement may be terminated for convenience upon 30-day written notice by the Government.

11. The parties agree that the obligations imposed upon the parties are for the benefit of the parties and that the timely performance of each and every obligation in accordance with the Agreement is necessary. The failure of any party to fulfill its obligations under the Agreement or the failure of any event to occur by a date established by this Agreement shall constitute a breach of this Agreement unless the fulfillment of such obligation is waived or modified by written agreement of the parties.
12. In the event of default by Grantee, including the failure to meet any time deadlines set out in this Agreement, the Government may declare the Agreement void from the beginning without further obligation to Grantee and may commence appropriate legal or equitable action to enforce its rights under this Agreement.
13. Except as may otherwise be provided hereunder, the parties to this Agreement shall be solely responsible for any costs incurred in fulfilling their obligations under this Agreement, and no party shall have any claim against the other party for reimbursement of such costs, whether or not a party is in default.

IN WITNESS WHEREOF, the parties executed this Agreement the day, month, and year above written.

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT



Jim Gray, Mayor

ATTEST:



Monte O'Call, Deputy
Clerk of Urban County Council

LEXINGTON HABITAT FOR HUMANITY



Signature of Authorized Official

Rachel S. Childress, CEO
Printed Name and Title



Lexington
Habitat
for Humanity[®]

Partner Family Manual

Updated: August 2013

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1) Habitat for Humanity International and Lexington Habitat for Humanity

a) Habitat for Humanity International

Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry. HFHI seeks to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action.

Habitat invites people of all backgrounds, races and religions to build houses together in partnership with families in need.

Habitat has built more than 500,000 houses around the world, providing more than 2.5 million people in more than 3,000 communities with safe, decent, affordable shelter. HFHI was founded in 1976 by Millard Fuller along with his wife Linda.

For more information, please see www.habitat.org.

b) History of Habitat for Humanity International

Since its founding in 1976 by Millard and Linda Fuller, Habitat for Humanity International has built and rehabilitated more than 150,000 houses with families in need, becoming a true world leader in addressing the issues of poverty housing.

Koinonia Farm and the Fund for Humanity

The concept that grew into Habitat for Humanity International was born at Koinonia Farm, a small, interracial, Christian farming community founded in 1942 outside of Americus, Ga., by farmer and biblical scholar Clarence Jordan. The Fullers first visited Koinonia in 1965, having recently left a successful business in Montgomery, Ala., and all the trappings of an affluent lifestyle to begin a new life of Christian service. At Koinonia, Jordan and Fuller developed the concept of "partnership housing" -- where those in need of adequate shelter would work side by side with volunteers to build simple, decent houses.

The houses would be built with no profit added and no interest charged. Building would be financed by a revolving Fund for Humanity. The fund's money would come from the new homeowners' house payments, donations and no-interest loans provided by supporters and money earned by fund-raising activities. The monies in the Fund for Humanity would be used to build more houses.

An open letter to the friends of Koinonia Farm told of the new future for Koinonia:

What the poor need is not charity but capital, not caseworkers but co-workers. And what the rich need is a wise, honorable and just way of divesting themselves of their overabundance. The Fund for Humanity will meet both of these needs. Money for the fund will come from shared gifts by those who feel they have more than they need and from non-interest bearing loans from those who cannot afford to make a gift but who do want to provide working capital for the disinherited. . . The fund will give away no money. It is not a handout.

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In 1968, Koinonia laid out 42 half-acre house sites with four acres reserved as a community park and recreational area. Capital was donated from around the country to start the work. Homes were built and sold to families in need at no profit and no interest. The basic model of Habitat for Humanity was begun.

Zaire

In 1973, the Fullers decided to apply the Fund for Humanity concept in developing countries. The Fuller family moved to Mbandaka, Zaire (now the Democratic Republic of Congo). The Fullers' goal was to offer affordable yet adequate shelter to 2,000 people. After three years of hard work to launch a successful house building program, the Fullers returned to the United States.

Habitat for Humanity International

In September 1976, Millard and Linda called together a group of supporters to discuss the future of their dream. Habitat for Humanity International (HFHI) as an organization was born at this meeting. The eight years that followed, vividly described in Millard Fuller's book, *Love in the Mortar Joints*, proved that the vision of a housing ministry was workable. Faith, hard work and direction set HFHI on its successful course.

Phenomenal Growth

In 1984, former U.S. President Jimmy Carter and his wife Rosalynn took their first Habitat work trip, the Jimmy Carter Work Project, to New York City. Their personal involvement in Habitat's ministry brought the organization national visibility and sparked interest in Habitat's work across the nation. HFHI experienced a dramatic increase in the number of new affiliates around the country.

The Results

Through the work of Habitat, thousands of low-income families have found new hope in the form of affordable housing. Churches, community groups and others have joined together to successfully tackle a significant social problem -- decent housing for all.

Today, Habitat for Humanity has built more than 500,000 houses, sheltering more than 2.5 million people in more than 3,000 communities worldwide.

c) History of Lexington Habitat for Humanity

When Jack and Eudora Russell were in Tucson in the early spring of 1986, their travel trailer was parked next to a lot, upon which a Habitat for Humanity house was being built. They were much impressed by the volunteers who were building it, the sweat equity of the family who were to live in it (even the children were there helping when they could), and the attractive and functional house that was being built. After returning to Lexington, the thought kept coming back to the Russell's that Lexington needed a program like that. Upon inquiry, they learned that a Habitat program had been started in Midway. The Russell's contacted Dr. Jim Roach, the enthusiastic president, who was leaving the next week for the 10th Anniversary Convention of

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Habitat in Kansas City. He invited Jack and a friend to go along. Jack recruited Les Versaw. They had an inspiring trip where they met Millard Fuller, and Jimmy and Rosalynn Carter, and came home eager to get an affiliate started in Lexington.

Both Jack and Les were members of the Golden K Kiwanis Club. They decided to enlist as many of these men as were interested. They met and discussed Millard Fuller's books and the principles of Habitat for Humanity and took the message to others. Because of this, the William Kenton Award was presented to the Golden K in 1991.

In December 1986, Habitat was officially organized and became an incorporated affiliate in the state of Kentucky. Spokespersons went to churches, clubs, etc. while others visited city officials, issued correspondence, raised funds, and secured the first lot. The first Board of Directors was elected on Dec. 1, 1986. On November 11, 1987, the groundbreaking ceremony for the first house at 224 Willard Street was held. On September 7, 1988, the dedication for that house was held and Henry and Edwina Smith and their four children moved into their new Habitat home. On that same day, ground was broken next door for the second house. And so a wonderful and much needed program in Lexington was born and nourished.

d) Mission of Lexington Habitat for Humanity

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

2) The Partnership Process

Becoming a Habitat homeowner is not a quick process. It takes awhile, and it is not always easy, but you will have fun. And it's always rewarding!

a) Sweat Equity Policy

Sweat Equity is one of the major requirements for Habitat homeownership. This section of the manual will clarify Sweat Equity further.

Working on *sweat equity* is an excellent way for new neighbors to get acquainted. We also hope that these *sweat equity* hours will be the beginning of a lifetime involvement with Habitat.

i) What is *sweat equity*?

Sweat Equity is the down payment for your house, paid in hours of work instead of dollars.

ii) Why *sweat equity*?

Sweat equity is a very important part of Habitat's ministry, which is designed to do three important things:

1. *Sweat equity* provides a real **PARTNERSHIP** between you, Habitat staff, and volunteers. It helps to build our community in positive ways.
2. It develops **PRIDE IN HOMEOWNERSHIP**. As you invest time and sweat into your house, you will begin the transition into being a homeowner.
3. It **DEVELOPS SKILLS AND KNOWLEDGE** that will be important in maintaining your home for years to come. It builds confidence and teaches you that you can do what it takes to maintain your home.

iii) How much *sweat equity*?

- o Applicant Families must agree to the sweat equity requirements for our homeownership program. Applicant families with one adult in the household must complete a total of 250 sweat equity hours. 100 of those hours must be construction on the applicant family's home or other family's homes. Applicant families with more than one adult must complete a total of 500 sweat equity hours. 100 of those hours must be construction on the applicant family's home or other family's homes.

Applicant families may recruit friends and family who do not live in their household to contribute up to 20% of their sweat equity hours. For an applicant family who needs 250 sweat equity hours, recruited friends and family members from outside the household may contribute up to 50 hours of the required 250 hours of sweat equity. For an applicant family who needs 500 sweat equity hours, recruited friends and family members from outside the household may contribute up to 100 hours of the required 500 hours of sweat equity. Sweat equity hours from recruited friends and family who do not live in the applicant family's household cannot count toward the required 100 hours of construction hours.

iv) When do I do sweat equity?

The Habitat Program is a 9 month or longer program. Sweat equity should be earned consistently throughout these months. Attendance at homeownership classes and your build site are required. You can also work in our ReStores or in our office for extra sweat equity hours. You are strongly encouraged to earn approximately 25 of 250 or 50 of 500 hours a month in *sweat equity*.

v) Who does sweat equity?

Families needing 250 hours

Partner Families with one adult in the household must complete a total of 250 sweat equity hours. 100 of those hours must be construction on the Partner Family's home or other homes, and must be performed by members living in the Partner Family household. Partner Families may recruit friends and family who do not live in their household to contribute up to 20% of their sweat equity hours. For an applicant family who needs 250 sweat equity hours, recruited friends and family members from outside the household may contribute up to 50 hours of the required 250 hours of sweat equity.

Families needing 500 hours

Partner Families with more than one adult in the household must complete a total of 500 sweat equity hours. 100 of those hours must be construction on the Partner Family's home or other homes, and must be performed by members living in the Partner Family household. Partner Families may recruit friends and family who do not live in their household to contribute up to 20% of their sweat equity hours. For an applicant family who needs 500 sweat equity hours, recruited friends and family members from outside the household may contribute up to 100 hours of the required 500 hours of sweat equity.

Children

Children under the age of 16 can help clean the lot once it has been selected and clean the build site when construction is not taking place. Children 16 and older may attend homeowner classes and participate in construction. You are responsible for keeping all family members actively participating.

Other Volunteers

You may have friends and family who do not live in your household help with up to 20% of your required sweat equity hours. These sweat equity hours must be performed on the construction of your home. You must recruit these volunteers on your own, and you may not recruit volunteers from the job site to work for you.

vi) What if I do not complete the sweat equity hours?

You cannot close on your home until you have completed the hours. You will not be reimbursed for any *sweat equity* hours should the partnership be terminated.

vii) How do I record *sweat equity*?

Keep track of every *sweat equity* activity in your Sweat Equity Book. You must be sure to get a Habitat signature for each activity. If you do not get a signature, those hours will not be counted. Please have your book signed by the LHFH staff person overseeing your work. Your book must be signed immediately following the work you performed.

viii) What if I lose my *sweat equity* book?

If you lose the book, you're in BIG trouble- **so don't lose it!!** Loss of the book may result in loss of *sweat equity* hours. We recommend that you photo copy your sweat equity book on a monthly basis as a back-up in the event that you should lose your book. We will try to make a copy of it in our office on a monthly basis as well.

ix) What if I complete my required number of hours early?

If you have completed all of the required hours, you will still need to be present on your build site when volunteers are there. You will also need to keep your build site clean and your sod watered. And your house must be completely clean before walk through and dedication. You may donate any of your extra hours to another family that needs hours of sweat equity (would be counted in the 20% of hours for which they may recruit help). This is a great way to work in partnership with others. This can only be done after meeting with Family Services staff to determine how many hours can be given.

x) What activities count as *sweat equity*?

As a LHFH Partner Family, you can earn sweat equity hours by actively participating in any/all of the following --

Household members 16 years old and older:

- Orientation
- Homeownership classes
- Credit counseling and budgeting
- Dedications
- Recruitment and outreach events
- Lot maintenance before construction begins (spot checks, cleaning)
 - A Partner Family may only log one hour total per week for lot checking. Actual lot cleaning can exceed one hour per week.
- Building on your lot (during construction)
- Build site cleaning & maintenance during construction (when volunteers are not there building)
- Sponsor/Partner Family meetings
- ReStore volunteering (according to ReStore policies)

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- Any work performed for a LHFH sponsored event
- LHFH office volunteering
- Family members and friends building on *your* house (up to 20% of your required sweat equity hours)

Children younger than 16:

- Build site cleaning & maintenance during construction (when volunteers are not there building)
- Attend dedications
- Other special kid-friendly projects

b) Homeownership Classes

Your homeownership classes are the primary way to earn sweat equity hours. You will receive a list of all mandatory homeownership classes. You must regularly attend and actively participate in all homeownership classes.

Partner Families will be de-selected after three unexcused absences.

- Your schedule of homeownership classes is provided in your Partner Family Binder. Attendance at these classes is required.
- A calendar with the homeownership classes and other sweat equity opportunities will be sent to each household by the beginning of each month.
- These classes are mandatory and reflect your willingness to partner with LHFH.
- Only family members aged 16 or older may attend the partner family trainings. All adult family members in attendance and actively participating will earn sweat equity hours.
- In the event that you cannot attend a class, you must notify a Family Services staff person ahead of time.
- Absences will be considered unexcused if the absence is not caused by unavoidable work schedule conflict, major illness, or serious emergency.
- Absences will be considered unexcused if it is determined Family Services staff could have been contacted ahead of time and were not.
- Missed classes must be made up whether excused or unexcused. Family Services staff will determine the method for making up missed classes.
- Partner Families arriving more than 10 minutes late to class unexcused will not be allowed into class and this will be considered an unexcused absence.
- Partner Families will be de-selected after three unexcused absences.
- *When possible*, a children's event will take place at the same time as our homeownership classes. All children four years old and older are invited to attend. This is optional, and children will not earn sweat equity hours for attendance.

c) Homeowner Preparation Fee

All Partner Families are required to pay a \$720 homeowner preparation fee to cover a portion of expenses such as your first year's homeowner's insurance premium, the appraisal of your home, and other closing costs. These expenses will exceed \$720 and LHFH will pay any costs

in excess of that amount. By making your monthly fee on time every time, you are demonstrating to us your ability to make a monthly mortgage payment.

You must pay a total of \$720 in the following way:

- 12 payments of \$60 are due at the first of each month for 12 consecutive months.
- Lump sums **are not** accepted
- In the event that you are unable to make your payment by the first of the month you ***MUST CALL A FAMILY SERVICES STAFF PERSON TO COMMUNICATE THE ISSUE AND MAKE PROPER PAYMENT ARRANGEMENTS.***
- ***If payments are received after the 15th of the month, a \$10 late fee will be added, whether Family Services staff was notified of late payment or not.***
- ***If two payments are late (made after the 15th of the month), the Partner Family will be de-selected for failure to agree to this financial obligation.***
- ***If a Partner Family is de-selected or chooses to leave the LHFH homeownership program, money paid toward the \$720 pre-payment will not be returned.***

d) Credit Counseling & Budgeting

We will learn financial management skills in our homeownership classes. Based on your credit reports, you may be required to attend credit & budget counseling appointments at Apprisen Financial Advocates. This counseling will be free of charge. You must meet with your counselor at Apprisen as required.

All Partner Families must meet individually with a Family Services staff person for budgeting exercises and sweat equity monitoring on a monthly basis. Partner Families are expected to keep accurate spending tracking forms for budgeting exercises.

e) Good Financial Standing

- All outstanding bills (liens, collections, charge offs) need to be paid off or part of a repayment plan before closing on your house. Your credit report will be pulled before closing to ensure you have worked on your bills.
- You must maintain steady and consistent income during the entire partnership with Habitat. If your employment or income changes in ANY way, you are required to notify us immediately.
- At the time of closing, you must meet the application requirements that were required at the time of your application.
- You must not have new major financial commitments that would jeopardize your ability to make your mortgage payments on time.
- If you learn of any new collection debt, or are considering taking on any new debts, you must discuss this with us immediately.

f) Family Support Committee/Nurturers

LHFH has a committee of volunteers known as our Family Support Committee, or Nurturers. You will likely meet members of this committee during your time as a Partner Family. This committee supports our families through potluck dinners, back to school picnics, and other special events. They can also support our Partner Families who might be experiencing life events that require special support.

Nurturers might also be asked to assist with your dedication. Family Services staff will inform you if you have a nurturer expecting to assist you with your dedication.

g) Lot Selection

Once lots become available for Partner Families, the Family Services staff will begin offering lots. Before going on the list to be offered lots you must:

1. Complete 30 of 250 hours or 60 of 500 hours of *sweat equity*
2. Begin counseling with a Family Services staff person to begin:
 - 1) Removing or correcting reporting errors
 - 2) Paying off debts
 - 3) Setting up payment plans
 - 4) Making settlements
 - 5) Setting up a monthly budget

At the completion of 30 Sweat Equity hours for Partner Families with one adult in the household, and at the completion of 60 Sweat Equity hours for Partner Families with more than one adult in the household, the Partner Family will be offered all available lots and houses for remodel that are suitable for their house size.

A Partner Family will be de-selected from the LHFH homeownership program if they turn down all available lots and houses for remodel offered to them. Refusal of three offered lots will result in de-selection from the LHFH homeownership program. At least two of the lots will be from different neighborhoods, as designated by Lexington Habitat for Humanity.

If a Partner Family is offered fewer than three selections when they get to 30/60 hours, and they decline all offers, they will be offered selections as they become available (until a total of three options from at least two different neighborhoods, as designated by LHFH, is reached).

A Partner Family who is de-selected because of lot refusal may re-apply for the LHFH homeownership program 18 months after date of de-selection.

h) House Size Determination

The house will be built based on the family composition and size at Board approval. House size cannot be increased after Board approval, but can be decreased if family size decreases. We will plan to build for unborn children if an applicant or Partner Family brings us, prior to lot selection, documentation of pregnancy from a doctor with due date.

i) House Options

After you select a lot, you can choose your carpet and vinyl flooring, kitchen countertops, siding, and shutters from the selections we have available. All walls are painted off white. Your kitchen appliances will be white.

j) Build Start Date

Weeks or months may pass between the time that you select your lot and when we know the date your build will start. The order families choose their lots may not be the order that the builds start. There are many factors that go into determining the order of our build season, such as lot readiness, permitting issues and sponsor readiness. LHFH staff will notify you as soon as your build start date has been determined so you can begin to plan accordingly.

k) Sponsor/Partner Family Meeting

After you have chosen a lot and been matched with a sponsor, a Family Services staff person will schedule your Sponsor/Partner Family Meeting. This is an exciting and very important meeting! During this meeting you will meet your sponsor, review the floor plan of your house, and review your build schedule.

l) Construction of Your Home

You are expected to participate as much as possible on your construction site.

Hours

All households must complete 100 of their total hours of sweat equity constructing their own home or other families' homes.

Your participation on your build site

Building a house is fun, but hard work. Many people are making plans to come help you build your house. You will be responsible for doing your part.

We expect you to be on your build site any day volunteers are working except for reasons such as unavoidable work conflicts, major illness or serious emergency. You may also need to consider taking some vacation time to work on the construction of your home. However, your must not do anything that would jeopardize your employment status.

Evening cleaning of your site is extremely important and watering your new sod is critical. Final cleaning of your house before your walk through and dedication is a must.

Your participation on others' builds

LHFH is organized to promote cooperation. In this spirit, you are encouraged to help with the construction of others' houses. This does count as sweat equity hours.

****Note: No youth under age 16 are allowed on a construction site during construction (except during morning devotions & lunch). For every 16 or 17 year old, there must be one adult. No 16 or 17 year old may operate power tools, work in demolition, excavation, or roofing.*

m) Homeowner's Insurance & Other Documents

Before closing, you must secure your homeowner's insurance policy. There will also be other documents you will have to bring to us before closing on your house. The Family Services department will give you the information you need to obtain your homeowner's insurance quote.

All necessary documents must be in the possession of the Family Services department before we can proceed with your closing.

n) Walk Through Inspection

When your house is complete, a Family Services staff person will schedule a walk through inspection with you. A construction department staff person will lead the walk through. The walk through allows us to go through the house thoroughly to identify any items that need to be completed before closing. You will be explained the various systems in your house, and

you should ask any and all questions you have. You must completely clean your home before we can proceed with the walk through inspection.

o) House Dedication

The house dedication is a very exciting event! This is when the house will be *ceremoniously* turned over to you (although you can't move in until after you have closed). The Family Services staff will plan this event with you and your sponsor. A dedication typically follows this format:

- Welcome by the CEO
- Presentations by representatives from LHFH board of directors or the house sponsor
- Song or reading (optional)
- Response from the family
- House blessing and benediction

***Afterwards, you should write thank you notes to the sponsor for providing the money and labor to build the house, and to others for any gifts received.

p) Certificate of Occupancy (CO) and Utilities Switchover

After the walk-through inspection, the next item is the Certificate of Occupancy. This is certification from the Lexington Fayette County government that your house is approved for occupancy. When it is secured, a closing date will be set. This may happen before or after your dedication. As soon as the date is set, you must have the electric & water utility accounts for your house switched over to your name & billing address. Well in advance, be sure you have paid off any old utility debts. You will need this information when transferring utility services: name, property location, date of birth, social security number, photo ID, and the closing date. Now you can begin plans for your move.

q) Closing on Your Home

The closing is the official transfer of ownership of the house from LHFH to you. Before closing can occur, you must have completed all your *sweat equity* hours. In addition, all liens and bills in collection status must have been paid off, and all personal legal issues resolved. It is possible to have outstanding collections if you have set up payment agreements with your debtors, unless you are enrolled in a Debt Management Program. We will pull your credit report prior to closing to ensure that you have taken care of your derogatory accounts. Failure to reconcile your derogatory accounts will result in a delay in your closing.

The closing involves you, the Executive Director of LHFH, and a Family Services staff person. The Executive Director will review the terms of the purchase with you. Then you will sign the mortgage, deed, promissory notes, and other documents. The process usually takes an hour. After the closing, you are an official LHFH homeowner and can move into your house (if we have already had the dedication)!

r) After Closing

You now have the responsibilities of a homeowner! Please keep in touch with us even after your closing to let us know how you're doing or if you have any question we can help you answer as a new homeowner!

We encourage you to become active in your new neighborhood association. We will also let you know of any LHFH Homeowner events.

s) De-Selection

All of the things mentioned above must be satisfied before you can close on your house. Failure to do any of the following will be seen as unwillingness to partner with us:

- Earn the required sweat equity hours prior to your closing (250/500)
- Attend all homeownership classes, punctually arrive, and actively participate
- Actively participate on your build site and ensure proper maintenance and cleaning during your build and right before your walk through and dedication
- Make 12 monthly homeowner preparation fee payments of \$60 on time
- Eliminate all derogatory debt prior to the closing of your house (some derogatory debt may be in a repayment plan)
- Meet with Apprisen Financial Advocates as required and follow a monthly budget to be reviewed by the Family Services staff
- Maintain the income and debt ratio required at the time of your application.
- Stay in good communication with the Family Services department and your nurturer and be sure to communicate any changes in income, employment or contact information immediately.
- Maintain a cooperative attitude towards our partnership and display your ability to be a good neighbor and a good citizen.

Refusal to participate or cooperate in the requirements of your partnership will result in "de-selection" and we will terminate your partnership with Lexington Habitat for Humanity. You will also be de-selected if it is discovered you were dishonest about the information supplied on your application materials.

t) Grievance/Appeals

In any organization, in spite of the best efforts to develop excellent working relationships and a sense of professionalism, personality differences and strong differences of opinion may periodically appear. There may also be times when an employee or other constituent believes he/she has been treated in a discriminatory, harassing, or unfair manner. Each person has the right to pursue remediation of that situation.

Although it is hoped that misunderstandings, disputes, disagreements, and other matters can be handled informally between the parties involved, there may be times when the affiliate must become involved in the resolution, either informally or formally. This policy outlines those processes and applies to staff, board, volunteers, partner families and other constituents.

A ***grievance*** is any dispute or difference concerning the interpretation or enforcement of any provision of affiliate policies or procedures. Grievances may also deal with matters of conduct, including sexual harassment and racial discrimination as defined elsewhere. Throughout this policy, the word *complaint* may be used in lieu of the word *grievance*.

Initial Efforts to Resolve

When a grievance develops, individuals involved are encouraged to try to work out difficulties on a personal/professional basis. Prior to such an effort, involved parties are encouraged to write their positions, concerns, and issues and present those to the other involved parties. These documents should be used to reduce the number of issues in dispute.

Escalation

If the initial effort to resolve the grievance is unsuccessful, the matter should be brought to the attention of the managers of the parties involved. If the grievance involves an employee and manager, the matter should be escalated to the ED (if between a manager and the ED to the President, up the chain of command as appropriate). The ED will attempt to amicably resolve the grievance. If the ED cannot achieve a mutually agreeable resolution, the ED shall provide the parties with a written directive, within three business days, to resolve the grievance. The parties may accept the resolution or may, within three business days, appeal to the ED or Personnel Committee. In all cases, the grievance shall be presented in writing.

Resolution

If the grievance is not resolved to the satisfaction of the parties involved and escalates to the Personnel Committee, they shall meet with the parties to learn of the details of the grievance. The Personnel Committee shall subsequently have five working days to provide the parties a written directive to resolve the dispute. There shall be no further appeal, other than those authorized by law.

3) Giving Back

Lexington Habitat for Humanity works to bring volunteers together to help individuals, families, and communities.

You, as a Partner Family, will not only participate in the work, but also directly benefit from it. We hope that your involvement in LHFH and the local community won't stop once you move into your house.

You will be in a special position of understanding and will be able to help future partner families in their process of becoming homeowners. We encourage you to continue as a part of the LHFH community. We hope you choose to give back!