

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
DIVISION OF GRANTS AND SPECIAL PROGRAMS
FIRST AMENDMENT TO THE HOME LOAN AGREEMENT**

THIS FIRST AMENDMENT TO THE HOME LOAN AGREEMENT (“Agreement”), dated and entered into this the _____ day of June, 2025, is by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky, pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (hereinafter referred to as "Government" or “LFUCG”), through its Division of Grants and Special Programs, and **WOODLAND CC LLC**, a Kentucky limited liability company, whose principal address is 1390 Olivia Lane, Ste. 100, Lexington, KY 40511 (herein “Borrower”).

WITNESSETH:

WHEREAS, Government, in accordance with the regulations codified at 24 CFR 92.102 – 92.106 for the HOME Investment Partnerships Program, has been designated a Participating Jurisdiction by the U.S. Department of Housing and Urban Development (“HUD”) and is the recipient of federal funding from the HOME Investment Partnerships Program;

WHEREAS, the Government has been awarded federal funds from HUD’s HOME Investment Partnerships Program (CFDA # 14.239) under Federal Award Number M24-MC-21-0201 awarded September 10, 2024;

WHEREAS, Government’s approved 2024 Annual Action Plans provide **SIX HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$600,000.00) to Borrower (Woodland CC LLC, with Unique Entity Identifier LKDBVDAKY2X5)** (“Loan”) in funding from the HOME Investment Partnerships Program for the development of rental housing for low-income HOME-eligible persons and/or households in accordance with the HOME Investment Partnerships Program regulations as stated in 24 CFR Part 92.205-92.206;

WHEREAS, the Borrower entered into that certain Loan Agreement (“Agreement”) dated December 18, 2024 (attached hereto and incorporated herein as **Exhibit A**), whereby the parties agreed to the Loan to rehabilitate an existing structure and construct additional units for a multi-family residential project located at 530 East High Street, Lexington, Fayette County, Kentucky 40502 under the name of The Flats at Woodland Apartments;

WHEREAS, to comply with regulations regarding the HOME units and utility allowances;
and

WHEREAS, LFUCG and Borrower desire to memorialize a modification to the Agreement, (attached hereto and incorporated herein as **Exhibit A**, to reflect the new understanding between the parties as set forth in the First Amendment below.

NOW, THEREFORE, the parties agree to the following modifications to the Agreement:

1. **Section 1.01 of the Agreement shall be amended as follows:** The Government hereby agrees to loan to Borrower the maximum sum of **SIX HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$600,000.00)** (hereinafter “Loan”). This Loan shall be in the form of a deferred Loan for the term of thirty (30) years from the date of this Loan Agreement. The deferred Loan shall be at zero percent (0%) interest for the thirty (30) year period and shall be repayable in full at the end of the thirty (30) year period. Funds shall be used for the rehabilitation of thirty eight (38) residential units of multi-family housing located at 530 East High Street, Lexington, Fayette County, Kentucky 40502 (“Project”). The number of HOME funded units is three (3).

2. **Section 1.04 of the Agreement shall be amended as follows:** All sums borrowed hereunder shall be used solely and exclusively for the Project that is further described as the construction of residential rental property located at 530 East High Street, Lexington, Fayette County, Kentucky 40502, for rent to low-income persons and/or households or for other eligible costs as set forth in 24 CFR 92.206. Borrower acknowledges that *three (3) units in the Project shall be administered as HOME-assisted units*, and that the per-unit subsidy shall not exceed the maximum per-unit subsidy amount established under Section 234 Condominium Housing Limits for elevator-type projects that apply to the area in which the units are located. The three (3) HOME-assisted units shall be floating. At a minimum, the following types of units will be HOME assisted:

Unit Type	# of Units	High HOME	Low HOME
0 BR			
1 BR			3
2 BR			
3 BR			
4 BR			
TOTAL			3

3. **SECTION 1.08 of the Agreement shall be amended as follows:** For a period of thirty (30) years from the date on which development of the Project is completed, established as the date the HUD’s Integrated Disbursement and Information System (IDIS) accepts and records the Completion report, one hundred percent (100%) of the HOME-assisted (three (3) units) shall be rented to low-income and very low-income households. None of the HOME-assisted units are required to be rented to very low-income households. Low-income households are those households with adjusted gross incomes at or below sixty percent (60%) of the median income for the community. Very low-income households are those households with adjusted gross incomes at or below fifty percent (50%) of the median income for the community. During this same thirty (30) year period, three (3) or more HOME-assisted units shall be rented to very low, or low, income households except as otherwise set out herein in Section 1.11. Borrower shall use the Section 8 Program definition of annual gross income (24 CFR 5.609).

4. **Section 1.09 of the Agreement shall be amended as follows:** For a period of thirty (30) years from the date on which development of the Project is completed, established as the date the HUD’s Integrated Disbursement and Information System (IDIS) accepts and records the

Completion report, Borrower shall charge the LOW HOME in HOME-assisted units as established from time to time by HUD pursuant to any regulations promulgated by HUD or the Government. The rents so charged must include utility costs. The maximum allowable HOME rent must be reduced by a utility allowance approved by Government if tenant is required to pay separately for utilities. The Utility Allowance approved by the Government is the Lexington-Fayette Urban County Housing Authority's Section 8 Existing Housing Allowance for Tenant Furnished Utilities and Other Services. The Utility Allowance must be approved by the Government prior to Lease-Up and annually thereafter during the period of affordability. Utility allowances approved by Government may vary as periodic adjustments are made. Should HUD revise these or other rent guidelines set out herein so as to permit Borrower to adjust the rent charged, Borrower must obtain the approval of the Government prior to adjusting rents and provide tenants with no less than thirty (30) days' written notice before adjustments are implemented.

5. Section 1.12 of the Agreement shall be amended as follows:

ANNUAL REVIEW.

- (a) The Borrower shall, on an annual basis, during a period of thirty (30) years from the date on which development is completed, review the income, family size and exclusions of all tenants in HOME-assisted units and determine if any are over-income. Development is deemed to be completed on the date the HUD's Integrated Disbursement and Information System (IDIS) accepts and records the Completion report. An over-income tenant is a household with an adjusted gross income exceeding eighty percent (80%) of the median income for the community. Borrower shall not evict over-income tenants based on income. Borrower shall increase the rent of the HOME-assisted unit to thirty percent (30%) of the household's adjusted gross income. HOME-assisted units vacated by an over-income tenant must be rented to an income-eligible tenant during the thirty (30) year period, except tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by Section 42. HOME-assisted units vacated by an over-income tenant must be rented to an income-eligible tenant for the duration of these covenants. The Government will examine at least two (2) months of source documents evidencing annual income (*e.g.*, wage statement, interest statement, unemployment compensation statement) for the family as specified in 24 CFR §92.203, in accordance with 24 CFR §92.504(c)(3)(iii) and 24 CFR §92.253(d)
- (b) Should the adjusted gross income of a very low-income tenant renting a unit at the LOW HOME rate increase to greater than fifty percent (50%) of the median for the community but less than eighty percent (80%) of the median for the community during the term of the tenancy and during the thirty (30) year period from the date on which development of the Project is completed, the Borrower shall set the rent for such tenant at the LOW HOME rate for the duration of the tenancy. The Project is deemed to be completed on the date the initial tenant surveys are verified. Borrower shall not evict such a tenant on the basis of the increase of the adjusted

gross income. The next vacancy shall be rented to a very low-income tenant whose income is at or below fifty percent (50%) of the area median income at a rent no higher than the established LOW HOME rent.

6. In the event of a conflict between the terms of this First Amendment and the terms of the Agreement, this First Amendment shall control. All other terms of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Loan Agreement at Lexington, Kentucky, the day and year first above written.

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SIGNATURE PAGES TO FOLLOW

SIGNATURE PAGE - LFUCG

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: Linda Gorton

Its: Mayor

By: _____
Linda Gorton, Mayor

COMMONWEALTH OF KENTUCKY)
) SCT
COUNTY OF FAYETTE)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this the _____ day of June, 2025, by Linda Gorton, as Mayor of the Lexington-Fayette Urban County Government.

Notary Public, State At Large, Kentucky

My Commission Expires: _____

Commission Number: _____

ATTEST:

Clerk, Urban County Council

SIGNATURE PAGE – BORROWER

WOODLAND CC LLC, a Kentucky limited liability company

By: Woodland CC MM LLC,
a Kentucky limited liability company, its Managing Member

By: Winterwood Development, LLC,
a Kentucky limited liability company,
its Managing Member

By: _____
Name: Carol Worsham
Title: Manager

COMMONWEALTH OF KENTUCKY)
) SCT
COUNTY OF FAYETTE)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this the _____ day of June, 2025, by Carol Worsham, as Manager of Winterwood Development, LLC, a Kentucky limited liability company, the Managing Member of Woodland CC MM LLC, a Kentucky limited liability company, the Managing Member of Woodland CC LLC, a Kentucky limited liability company.

Notary Public, State At Large, Kentucky
My Commission Expires: _____
Commission Number: _____

EXHIBIT A

December 18, 2024 Loan Agreement

4931-2332-2190, v. 1