

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

BOARD OF DIRECTORS MEETING

TUESDAY, SEPTEMBER 21, 2021

**3:35 P.M. OR UPON ADJOURNMENT OF THE LAKESIDE PLACE PFC
BOARD MEETING**

**HOUSTON HOUSING AUTHORITY CENTRAL OFFICE
2640 FOUNTAIN VIEW, HOUSTON, TX 77057**

AGENDA

To consider and act upon the following matters:

- I. Call to Order
- II. Roll Call
- III. Approval of July 20, 2021 Minutes
- IV. New Business

Resolution No. VSPFC 21-04: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Barker Oaks Apartments

Resolution No. VSPFC 21-05: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Treaschwig Apartments

Resolution No. VSPFC 21-06: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Greenfield Apartments

Resolution No. VSPFC 21-07: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Almeda Flats Apartments

Resolution No. VSPFC 21-08: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to Bond Inducement for Hillcroft Adair Center

Resolution No. VSPFC 21-09: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Reserve at Hartsook

Resolution No. VSPFC 21-10: Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Park at Humble Apartments

V. Adjournment

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 FOUNTAIN VIEW DR. ♦ HOUSTON, TEXAS 77057

MINUTES OF THE VICTORY STREET PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS MEETING TUESDAY, July 20, 2021

A Meeting of the Board of Directors of the Victory Street Public Facility Corporation was held on Tuesday, July 20, 2021, via teleconference pursuant to the March 16, 2020 Notice issued by the Office of the Texas Attorney General and in accordance with the applicable portions of the Texas Open Meetings Act. The U.S. toll-free number was 1-888-475-4499, the local number was 1-346-248-7799 and the meeting identification number was 812 6428 0441.

President Snowden called the meeting to order at 4:18 p.m. Secretary Thiele called the roll and declared a quorum present.

Present: LaRence Snowden, President and Director
Kristy Kirkendoll, Vice Chair and Director
Stephanie A.G. Ballard, Director
Andrea Hilliard Cooksey, Director
Kris Thomas, Director
Mark Thiele, Secretary

ABSENT: Guillermo "Will" Hernandez, Director
ABSENT: Dr. Max A. Miller, Jr., Director

APPROVAL OF MINUTES

President Snowden stated the Board has had an opportunity to review the June 22, 2021 Board of Directors meeting minutes. He asked for a motion to adopt the June 22, 2021 meeting minutes.

Director Cooksey moved to approve the minutes for the June 22, 2021 VSPFC Board of Directors meeting. Director Ballard seconded the motion.

President Snowden asked if there is any discussion or objection to the June 22, 2021 Board of Directors meeting minutes. Having none, the minutes are adopted.

President Snowden said we will now move into our new business.

NEW BUSINESS

Resolution No. VSPFC 21-03: Authorizing Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Villas at Winkler (the "Project"): (a) defease the existing bond indebtedness on the Project; and (b) such other actions necessary or convenient to carry out this resolution.

President Snowden asked for a motion to approve Resolution No. VSPFC 21-03.

Director Thomas moved to approve Resolution No. VSPFC 21-03. Director Cooksey seconded the motion.

President Snowden asked if there is any discussion or objection to Resolution No. VSPFC 21-03. Having none, Resolution No. VSPFC 21-03 is adopted.

ADJOURNMENT

President Snowden asked for a motion to adjourn.

Chair Snowden moved to adjourn. Director Cooksey seconded the motion.

President Snowden stated the meeting is adjourned at 4:21 p.m.

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM

1. Brief Description of Proposed Item

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Barker Oaks Apartments

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Barker Oaks Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject.

4. All Backup attached?☒ Yes☐ No

If no, what is missing and when will it be submitted: _____

5. Department Head Approval Signature _____ Date: _____**6. Statement regarding availability of funds by VP of Fiscal Operations**

Funds Budgeted and Available ☒ Yes ☐ No Source Third Party

Account # _____

VP of FO Approval Signature _____ Date: _____

7. Approval of President

DocuSigned by:

Mark Thiele

9/15/2021

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Signature _____ Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD OF DIRECTORS
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE THE FOLLOWING ACTIONS WITH REGARD TO THE BOND INDUCEMENT FOR BARKER OAKS APARTMENTS
DATE: SEPTEMBER 2, 2021

This resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide on or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

AMTEX Barker Oaks Fund, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 288 units located at 2250 Barker Oaks, Houston, Texas 77077, and to be known as the Barker Oaks Apartments (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$32,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, construction, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition, construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Resolution No. VSPFC 21-04

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development, and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and

Resolution No. VSPFC 21-04

such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.
- (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
- 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
- 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
- 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.
- 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is

- affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal resolution and the following:

Resolution: Declaring intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Barker Oaks Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject.

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-04

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (BARKER OAKS APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, AMTEX Barker Oaks Fund, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 288 units located at 2250 Barker Oaks, Houston, Texas 77077, , and to be known as the Barker Oaks Apartments (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that construction of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$32,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the construction of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

Resolution No. VSPFC 21-04

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-04

Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-04

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary

Resolution No. VSPFC 21-05

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM**1. Brief Description of Proposed Item**

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Treaschwig Apartments

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

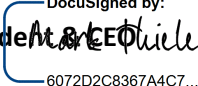
Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Treaschwig Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

4. Department Head Approval Signature _____ Date: _____**5. Statement regarding availability of funds by VP of Fiscal Operations**

Funds Budgeted and Available ☒ Yes ☐ No Source Third Party
Account # _____

VP of FO Approval Signature _____ Date: _____

6. Approval of Interim President & CEO

DocuSigned by:

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9/15/2021

Signature _____ Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD OF DIRECTORS
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE THE FOLLOWING ACTIONS WITH REGARD TO THE BOND INDUCEMENT FOR TREASCHWIG APARTMENTS
DATE: SEPTEMBER 2, 2021

This resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide on or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

LDG Treaschwig, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 240 units located at the southwest corner of the intersection of Treaschwig Road and Cypresswood Drive, Spring, Texas 77373, and to be known as Treaschwig Apartments (the "Project") within the boundaries of the Unit in Spring, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$50,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, construction, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition, construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development, and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and

such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.
 - (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
 - 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
 - 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
 - 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.
 - 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is

- affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal resolution and the following:

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Treaschwig Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-05

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (TREASCHWIG APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, LDG Treaschwig, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 240 units located at the southwest corner of the intersection of Treaschwig Road and Cypresswood Drive, Spring, Texas 77373, and to be known as the Treaschwig Apartments (the "Project") within the boundaries of the Unit in Spring, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that construction of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$50,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the construction of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

Resolution No. VSPFC 21-05

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-05

Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-05

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary

Resolution No. VSPFC 21-06

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM**1. Brief Description of Proposed Item**

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Greenfield Apartments

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Greenfield Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

4. Department Head Approval Signature _____ Date: _____**5. Statement regarding availability of funds by VP of Fiscal Operations**

Funds Budgeted and Available ☒ Yes ☐ No Source Third Party
Account # _____

VP of FO Approval Signature _____ Date: _____

6. Approval of Interim President & CEO

DocuSigned by:
Mark Thiele
8673D2C8367A4C7...

9/15/2021

Signature _____ Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION
2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD OF DIRECTORS
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE
THE FOLLOWING ACTIONS WITH REGARD TO THE BOND INDUCEMENT FOR
GREENFIELD APARTMENTS
BOND INDUCEMENT FOR GREENFIELD APARTMENTS
DATE: SEPTEMBER 2, 2021

This Resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide on or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

LDG Greenfield, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 304 units located at approximately the southeast corner of Brandt Road and Greenfield Street, Spring, Texas 77373, and to be known as Greenfield Apartments (the "Project") within the boundaries of the Unit in Spring, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin

construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$50,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, construction, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient:
 - (a) to fund a loan to provide financing for the acquisition, construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the

Resolution No. VSPFC 21-06

date hereof in connection with the acquisition, construction, or development of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development, and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in

- the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.
- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.
 - (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
 - 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
 - 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
 - 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal Resolution and the following:

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Greenfield Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-06

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (GREENFIELD APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, LDG Greenfield, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 304 units located at approximately the southeast corner of Brandt Road and Greenfield Street, Spring, Texas 77373, and to be known as the Greenfield Apartments (the "Project") within the boundaries of the Unit in Spring, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that construction of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$50,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the construction of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-06

Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-06

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary

Resolution No. VSPFC 21-07

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM**1. Brief Description of Proposed Item**

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Almeda Flats Apartments

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Almeda Flats Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

4. Department Head Approval Signature _____ Date: _____**5. Statement regarding availability of funds by VP of Fiscal Operations**


Funds Budgeted and Available ☒ Yes ☐ No Source Third Party

Account # _____

VP of FO Approval Signature _____ Date: _____

6. Approval of Interim President & CEO:

9/15/2021


Signature _____

Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD OF DIRECTORS
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE THE FOLLOWING ACTIONS WITH REGARD TO THE BOND INDUCEMENT FOR ALMEDA FLATS APARTMENTS
DATE: SEPTEMBER 2, 2021

This Resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

ECG Almeda, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 300 units located at approximately the southwest corner of Almeda Road and Fuqua Street, Houston, Texas 77053, and to be known as Almeda Flats Apartments (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopts this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe, and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that the development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the

Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$40,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, construction, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient:
 - (a) to fund a loan to provide financing for the acquisition, construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the

Resolution No. VSPFC 21-07

Project; (b) to fund certain reserves for the benefit of the holders of the Bonds, and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to the satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas, and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents'

Resolution No. VSPFC 21-07

- fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.
- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.
 - (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites, and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
 - 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor anyone claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
 - 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
 - 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.
 - 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing

- the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal Resolution and the following:

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Almeda Flats Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-07

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (ALMEDA FLATS APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, ECG Almeda, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 300 units located at approximately the southwest corner of Almeda Road and Fuqua Street, Houston, Texas 77053, and to be known as the Almeda Flats Apartments (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that construction of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$40,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the construction of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

Resolution No. VSPFC 21-07

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-07

Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-07

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM**1. Brief Description of Proposed Item**

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to Bond Inducement for Hillcroft Adair Center

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Hillcroft Adair Center); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

4. Department Head Approval Signature _____ Date: _____**5. Statement regarding availability of funds by VP of Fiscal Operations**

Funds Budgeted and Available ☒ Yes ☐ No Source Third Party
Account # _____

VP of FO Approval Signature _____ Date: _____

6. Approval of Interim President & CEO

9/15/2021

DocuSigned by:
Mark Thiele
6072D2C8367A4C7...
Signature _____ Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE THE FOLLOWING ACTIONS WITH REGARD TO BOND INDUCEMENT FOR HILLCROFT ADAIR CENTER
DATE: SEPTEMBER 2, 2021

This resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide on or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

6300 Hillcroft LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 259 units located at approximately 6200 Hillcroft Ave, Houston, Texas 77081, and to be known as Hillcroft Adair Center (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin acquisition and rehabilitation of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$27,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, rehabilitation, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, rehabilitation, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition, rehabilitation, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, rehabilitation, or development of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development, and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and

such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, rehabilitation, installation, operation, use, occupancy, maintenance, or ownership of the Project.
- (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
- 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor anyone claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
- 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
- 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.
- 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is

Resolution No. VSPFC 21-08

- affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal resolution and the following:

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Hillcroft Adair Center); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-08

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (HILLCROFT ADAIR CENTER); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, Hillcroft Adair Center, LP, a to-be-formed Texas limited partnership or such other limited partnership as the sole member of the general partner designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 259 units located at approximately 6200 Hillcroft Ave, Houston, Texas 77081, and to be known as Hillcroft Adair Center (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project;

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that acquisition and rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin acquisition and rehabilitation of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$27,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and rehabilitation, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and rehabilitation of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

Resolution No. VSPFC 21-08

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-08

Bonds, or the design, acquisition and rehabilitation, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-08

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary

Resolution No. VSPFC 21-09

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM**1. Brief Description of Proposed Item**

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Reserve at Hartsook

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Reserve at Hartsook); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

4. Department Head Approval Signature _____ Date: _____**5. Statement regarding availability of funds by VP of Fiscal Operations**

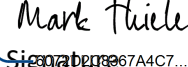
Funds Budgeted and Available ☒ Yes ☐ No Source Third Party

Account # _____

VP of FO Approval Signature _____ Date: _____

6. Approval of Interim President & CEO

9/15/2021


Signature _____

Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD OF DIRECTORS
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE THE FOLLOWING ACTIONS WITH REGARD TO THE BOND INDUCEMENT FOR RESERVE AT HARTSOOK
DATE: SEPTEMBER 2, 2021

This resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide on or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

Reserve at Hartsook LLC, a to-be-formed Texas limited liability company or such other entity as the sole member of the managing member designates (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 260 units located at approximately 10700 Hartsook Street, Houston, Texas 77034, and to be known as Reserve at Hartsook (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$28,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, construction, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient:
 - (a) to fund a loan to provide financing for the acquisition, construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, construction, or development of the Project;
 - (b) to fund certain reserves for the benefit of the holders of the Bonds; and
 - (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Resolution No. VSPFC 21-09

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development, and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and

Resolution No. VSPFC 21-09

such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.
 - (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
 - 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor anyone claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
 - 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
 - 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.
 - 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is

- affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal resolution and the following:

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Reserve at Hartsook); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-09

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (RESERVE AT HARTSOOK); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, Reserve at Hartsook LLC, a to-be-formed Texas limited liability company or such other entity as the sole member of the managing member designates (the "User"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 260 units located at approximately 10700 Hartsook Street, Houston, Texas 77034, and to be known as the Reserve at Hartsook (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that construction of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin construction of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$28,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the construction, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the construction of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

Resolution No. VSPFC 21-09

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-09

Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-09

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary

Resolution No. VSPFC 21-10

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

REQUEST FOR BOARD AGENDA ITEM**1. Brief Description of Proposed Item**

Consideration and/or action to authorize Victory Street Public Facility Corporation ("VSPFC") to take the following actions with regard to the Bond Inducement for Park at Humble Apartments

2. Date of Board Meeting: September 21, 2021**3. Proposed Board Resolution:**

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Park at Humble Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

4. Department Head Approval Signature _____ Date: _____**5. Statement regarding availability of funds by VP of Fiscal Operations**

Funds Budgeted and Available ☒ Yes ☐ No Source Third Party

6. Approval of Interim President & CEO

9/15/2021

DocuSigned by:
Mark Thiele
6072D2C8367A4C7...

Signature _____

Date: _____

VICTORY STREET PUBLIC FACILITY CORPORATION

2640 Fountain View Drive ♦ Houston, Texas 77057

MEMORANDUM

TO: VSPFC BOARD OF DIRECTORS
FROM: MARK THIELE, INTERIM PRESIDENT & CEO
SUBJECT: AUTHORIZING VICTORY STREET PUBLIC FACILITY CORPORATION ("VSPFC") TO TAKE THE FOLLOWING ACTIONS WITH REGARD TO THE BOND INDUCEMENT FOR PARK AT HUMBLE APARTMENTS
DATE: SEPTEMBER 2, 2021

This Resolution is accompanied by a formal resolution drafted by counsel representing HHA which states substantially the following.

BACKGROUND

The Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a Texas nonprofit public facility corporation (the "Issuer").

The Issuer, on behalf of the Unit, is empowered to issue bonds to finance, refinance, or provide on or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries.

Park at Humble Apartments, LLC, a Texas limited liability company (the "User"), has requested that the Issuer finance an affordable multifamily housing project consisting of approximately 216 units located at approximately 9390 FM 1960, Houston, Texas 77338, and to be known as Park at Humble Apartments (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

The User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project.

In view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that development of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin acquisition and rehabilitation of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project.

The Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$35,000,000 and to expend the proceeds thereof to acquire, develop, and equip the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds.

In order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year.

RESOLUTIONS

1. Subject to the terms hereof, the Issuer agrees that it will:
 - (a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.
 - (b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, rehabilitation, and installation of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, rehabilitation, or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient:
 - (a) to fund a loan to provide financing for the acquisition, rehabilitation, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition, rehabilitation, or development of the Project;
 - (b) to fund certain reserves for the benefit of the holders of the Bonds; and
 - (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Resolution No. VSPFC 21-10

- (c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the acquisition, development, and installation of the Project, as requested by the User and within then applicable limitations.
- (d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

- (i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
 - (ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and
 - (iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.
2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.
 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:
 - (a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and

Resolution No. VSPFC 21-10

such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

- (b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, rehabilitation, installation, operation, use, occupancy, maintenance, or ownership of the Project.
 - (c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.
- 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.
 - 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor anyone claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.
 - 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.
 - 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.
 - 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is

Resolution No. VSPFC 21-10

- affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.
9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and any related TBRB documentation and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.
 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

RECOMMENDATION

Accordingly, I recommend that the Board approve the attached formal Resolution and the following:

Resolution: Declaring the intent to issue bonds to provide financing for a multifamily residential rental development for persons of low income (Park at Humble Apartments); Prescribing certain terms and conditions of such bonds; Authorizing the filing of an application for allocation of private activity bonds with the Texas Bond Review Board; and containing other provisions relating to the subject, pursuant to the memorandum from Mark Thiele, Secretary, to the Victory Street Public Facility Corporation Board of Directors dated September 2, 2021

Victory Street Public Facility Corporation

RESOLUTION NO. VSPFC 21-10

RESOLUTION DECLARING INTENT TO ISSUE BONDS TO PROVIDE FINANCING FOR A MULTIFAMILY RESIDENTIAL RENTAL DEVELOPMENT FOR PERSONS OF LOW INCOME (PARK AT HUMBLE APARTMENTS); PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the Board of Commissioners of the Houston Housing Authority (the "Unit") has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the "Act"), approved and created the Victory Street Public Facility Corporation, a nonprofit public facility corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within the Unit's boundaries;

WHEREAS, Park at Humble Apartments, LLC, a Texas limited liability company (the "User"), has requested that the Issuer finance a low income multifamily housing project consisting of approximately 216 units located at approximately 9390 FM 1960, Houston, TX 77338, and to be known as the Park at Humble Apartments (the "Project") within the boundaries of the Unit in Houston, Texas, and further that the Issuer adopt this Resolution with respect to the proposed acquisition, development, and installation of the Project.

WHEREAS, the User has advised the Issuer that a contributing factor which would further induce the User to proceed with providing for the acquisition and development of the Project would be an agreement by the Issuer to issue revenue bonds pursuant to the Act (the "Bonds") to finance and pay for the Project;

WHEREAS, in view of a shortage of decent, safe and sanitary housing for persons and families of low income at prices or rentals that they can afford, it is considered essential that acquisition and rehabilitation of the Project be completed at the earliest practicable date, but at the same time, the User wishes to begin acquisition and rehabilitation of the Project after satisfactory assurances from the Issuer, subject to the conditions set forth herein, that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the costs of the Project will be made available to finance the Project;

WHEREAS, the Issuer finds, intends, and declares that this Resolution shall constitute its official action, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum aggregate principal amount up to \$35,000,000 and to expend the proceeds thereof to develop the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

WHEREAS, in order to finance and pay for the Project through the issuance of revenue bonds, the interest on which is excludable from the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer must submit an Application for Allocation of Private Activity Bonds (the "Application") to the Texas Bond Review Board (the "TBRB") for a reservation of state ceiling available to "private activity bonds" (as defined in the Code) for a calendar year;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ISSUER THAT:

Section 1. Subject to the terms hereof, the Issuer agrees that it will:

(a) Issue the Bonds, and if the User and the Issuer agree, other evidences of indebtedness providing temporary financing of the Project which will be issued after the date hereof and be refunded by the Bonds pursuant to the Act, or any other Texas legislation heretofore or hereafter enacted which may provide a suitable method of financing in addition to or in substitution for the Act.

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition and development of the Project or reimbursement of Project costs; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User. The Issuer reasonably expects to reimburse the User for all or a portion of the costs ("Costs of the Project") that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition or development of the property comprising the Project from the proceeds of the Bonds in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and rehabilitation, equipping and furnishing of the Project and costs incidental thereto, including reimbursing the User for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and rehabilitation of the Project; (b) to fund certain reserves for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

(c) If the proceeds from the sale of the Bonds are insufficient, take such actions and execute such documents as may be necessary to permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with other series of bonds or otherwise, for the purpose of paying the costs of completing the development of the Project, as requested by the User and within then applicable limitations.

Resolution No. VSPFC 21-10

(d) Take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

The obligation of the Issuer to issue the Bonds is specifically subject to satisfaction of each of the following conditions:

(i) The receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;

(ii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Mayor of the City of Houston, Texas, the Attorney General of the State of Texas and any other applicable governmental authority; and

(iii) Any other conditions reasonably imposed by the Issuer and/or the Unit.

Section 2. The Issuer hereby authorizes the submission of an Application to the TBRB for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and each subsequent calendar year at the User's request to finance the Project. Any officer of the Issuer is hereby authorized to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose.

Section 3. It is understood by the Issuer and the Unit, and the User has represented to the Issuer, that in consideration of this Resolution and by filing the Application, and subject to the terms and conditions hereof, the User has agreed that:

(a) Prior to or contemporaneously with the sale of the Bonds in one or more series or issues from time to time as the Issuer and the User shall hereafter agree to in writing, the User will enter into the Contracts with the Issuer under the terms of which the User will obligate itself to pay to the Issuer (or to a Trustee, as the case may be) sums sufficient in the aggregate to pay the principal of, interest on, redemption premiums, paying agents' fees, and Trustee's fees, if any, on the Bonds, as and when the same become due and payable, with such contract to contain the provisions described in Section 1 hereof and such other provisions as may be required or permitted by law and to be mutually acceptable to the Issuer and the User.

(b) The User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times, indemnify and hold harmless the Issuer against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the

Resolution No. VSPFC 21-10

Bonds, or the design, acquisition and rehabilitation, installation, operation, use, occupancy, maintenance, or ownership of the Project.

(c) The User will provide to the Issuer all information required to be submitted to the TBRB and any other governmental agencies for approval of the Project or the Bonds and will execute all necessary documents in connection therewith.

Section 4. The Issuer finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in Section 303 of the Act, including, without limitation, assisting persons of low income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5. Neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Issuer reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Issuer shall not be subject to any liability or damages of any nature. Neither the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Issuer whatsoever as a result of any decision by the Issuer not to issue the Bonds.

Section 6. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 7. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 8. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds within the meaning of Sections 1.1038(a)(5)(i) and (ii) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142(a)(7) of the Code and that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 9. The Issuer hereby authorizes the filing and any resubmission of an Application with the TBRB, and that Coats Rose, P.C. be designated as the authorized representative of the Issuer for purposes of an Application and that any officer of the Issuer is hereby authorized and directed to execute an Application on behalf of the Issuer and to

Resolution No. VSPFC 21-10

take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution.

Section 10. Notwithstanding any other provision of this Resolution, the officers of the Issuer are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Issuer shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 21st day of September, 2021.

CHAIR

ATTEST:

Secretary