AGENDA

A Regular Board Meeting for:
SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
will be held at Municipal Plaza B Room
114 W Commerce St., San Antonio, TX 78205
and virtually via ZOOM:
https://us02web.zoom.us/j/81602382141?pwd=VW9oS0k3c0YzbWU0VExORmNrUVR3UT09
DIAL-IN NUMBER: 1-346-248-7799 MEETING ID: 816 0238 2141 PASSWORD: 132607
On Friday, July 21, 2023, beginning at 2:00 p.m.

NOTICE: *A quorum of the board of directors will be physically located at 114 W Commerce St., San Antonio, TX 78205 at 2:00 p.m. One or more of the Directors may attend this meeting by video conference pursuant to the requirements set forth in the Texas Open Meetings Act. An electronic copy of the agenda packet may be accessed at the San Antonio Housing Trust website under the CALENDAR/Board Meeting date page prior to the meeting.*

NOTICE: *This meeting of the Board, being held for the reasons listed below, is authorized in accordance with the Texas Government Code, Sections 551.001 - 551.146. Verification of Notice of Meeting and Agenda are on file in the Office of the Executive Director.*

1. Call to Order and Roll Call.
2. Discussion and possible action to approve minutes of June 16, 2023, and June 30, 2023.
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Resolution authorizing the **Pavilion at Culebra Apartments** transaction, including the execution of all documentation necessary to carry out the transaction; authorizing the purchase of the land for the transaction and the lease of such land of the transaction; and authorizing the acquisition of all of the membership interest of SAHT Culebra Road Apartments GO, LLC and its admission as the General Partner of Culebra Road Apartments Limited Partnership; and authorizing the financing for such transaction; and authorizing the San Antonio Housing Trust Public Facility Corporation to enter into a joint venture agreement to serve as the general contractor; and other matters in connection therewith.
5. Resolution authorizing the San Antonio Housing Trust Public Facility Corporation to obtain a credit facility in the amount of $10,000,000.00 and with a maturity of five years per draw down from Frost Bank; authorizing the Assistant Secretary to execute all documentation necessary to commence and carry out the credit facility agreement and other documents, including but not limited to possible interest rate swaps or loan and real property closing transaction pursuant to same; and addressing related matters.
6. Resolution authorizing the acquisition of a minimum of 10.00 acres and up to approximately 19.68 acres of vacant land located along the west side of S. Zarzamora, south of 410 in Phase II of the VIDA Development in Council District 4.
7. Briefing, discussion and possible action to approve a Resolution authorizing the Executive

Director to negotiate and execute a Professional Services Agreement for the purpose of an On Call Architectural Services with Alamo Architects and Lake Flato; and setting an effective date.

8. Briefing, discussion and possible action to approve a resolution approving a budget amendment for the San Antonio Housing Trust Public Facility Corporation for Fiscal Year 2023 related to a net increase in budgeted revenues and operating expenses.
9. Adjournment.

***Executive Session**

The San Antonio Housing Trust Public Facility Corporation reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development). *ANY ITEM DISCUSSED IN EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.*

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION BOARD MEMBERS:

Council Member Jalen McKee-Rodriguez (District 2), Council Member Phyllis Viagran (District 3), Council Member Dr. Adriana Rocha Garcia (District 4), Council Member Teri Castillo (District 5), Council Member John Courage (District 9), Jane Paccione, Jordan Ghawi

Attendance by Other Elected or Appointed Officials: It is possible that members of City boards, commissions and/or committees may attend the open meeting in numbers that may constitute a quorum. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of any other boards, commissions and/or committees of the City, whose members may be in attendance in numbers constituting a quorum. These members of other City boards, commissions, and/or committees may not deliberate or take action on items listed on the agenda. [Attorney General Opinion – No. GA-0957 (2012)].

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretative services must be made 48 hours prior to this meeting. Please contact Nicole Collazo, for concerns or requests, at (210) 735-2772 or FAX (210) 735-2112.

San Antonio Housing Trust Public Facility Corporation
Agenda Item 2

This item includes the approval of minutes from the **June 16, 2023 and June 30, 2023** , meeting.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

OFFICIAL MEETING MINUTES

DATE: June 16, 2023

TIME AND PLACE: The Public Facility Corporation met in session at 2:31 p.m., via Zoom and in person at 114 W Commerce, San Antonio, TX 78205.

PRESENT: Councilwoman Adriana Rocha Garcia, Antoinette Brumfield, Mark Carmona, Eric Cooper, Councilwoman Teri Castillo, Councilwoman Phyllis Viagran, Jordan Ghawi, Rachell Hathaway, Councilman John Courage, Councilman Jalen McKee-Rodriguez, and Marinella Murillo.

ABSENT: Jane Paccione

STAFF/VISITORS PRESENT:
Pedro Alanis- Executive Director San Antonio Housing Trust Foundation.; Nicole Collazo- Director of Operations San Antonio Housing Trust Foundation; Susan Snowden- Finance Director San Antonio Housing Trust; Tom Roth- Director of Development San Antonio Housing Trust Foundation; Jessica Kuehne- Director of Asset Management San Antonio Housing Trust Foundation.; John Hernandez- Senior Asset Manager San Antonio Housing Trust Foundation; Lauren Bejaran- Senior Administrative Assistant San Antonio Housing Trust Foundation; Ruben Lizalde- D3; Edward Muniga- D4; Justin Renteria- D5; Milee Ray- D9; Isaac Bernal- City of San Antonio Special Project Manager; Allison Beaver- NHSD; James Plummer- Attorney Bracewell; Summer Greathouse- Attorney Bracewell; Clarissa Rodriguez- Attorney DNRBZ; Mirla Lopez- SEFLA Languages Interpreter; Travis Russell- Morgan Group; Avis Chaisson- Palladium Group USA; Fernando Godinez- MAUC; Mia Loseff- Texas Housers; Nicole Freeman-NHSD; Texas Senator José Menéndez- District 26.

1. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by President Rocha Garcia and roll call was called by Lauren Bejaran.

2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF MAY 19, 2023.**
   Jordan Ghawi motioned, and Councilwoman Castillo seconded for approval of the May 19, 2023, with the noted corrections.
   AYES: 6
   NAYS:
   ABSTAINED:
   THE MOTION PASSED.

3. **CITIZENS TO BE HEARD-INTERESTED SPEAKERS WILL HAVE 3 MINUTES EACH TO ADDRESS THE BOARD ON AGENDA ITEMS OR HOUSING POLICY RELATED MATTERS; A TOTAL OF 15 MINUTES WILL BE PROVIDED.**

   Avis Chaisson, Executive Director of Real Estate Development for Palladium USA public comment and presentation:

"Good afternoon. My name is Avis Chaisson, and I am the Executive Director of Real Estate Development with Pallidum USA. I am here to speak on Item #6; I do have a presentation for you. On the slide is a gorgeous, proposed rendering of our Palladium Crestway development in Council District 2. Next slide please. So, just to familiarize everyone with the site, it is just East of Interstate 35 and to the North of Crestway, and East of Randolph Boulevard. It is not too far from the Randolph Transit Park and Ride, which is great to have to be so close to transit, but we do understand there are concerns with access and mobility to that transit, so we will definitely look at providing better access. Next slide. So why am I here? So, we do have a gap on this build which has been previously acknowledged before going to the Finance Committee; through bond inducement, so why is there a gap? There have been 15 months of interest rate hikes due to tamper inflation, increased vacancy rate; like running your Performa at increased vacancy rates from 5% to 7%, construction pricing is still not to preCovid levels, there is still labor and supply shortages, lenders are requiring additional reserves to make sure we get those constructions and lease ups as Performa, and then this deal we increased our affordability to provide 30% AMI units as well. I did want to be clear that our gap does not include fee waivers, which we have requested from the city, we did get approved for city waivers. However, as all of the SAWs fee waivers, from what we understand, have been committed and are under the 1-year ticket completed, so I know those projects have been stalled. A lot of them are from your projects that have bond issuances that have returned their bond issuances, so we are working with the city to figure out a fee waiver approved as well. Next slide.

So, I am here today to present options to reduce the gap, close the gap, to get a closer gap payable because we are so close. We were scheduled to close June 27th; however, we did not rate lock as we expected this week. We already have investor approval; we have a strong investor in PNC, a very strong national bank that has made a presence in the state of Texas now, and our lender who will be purchasing the bonds is Cedar Rapids Bank and Trust. So, what we're doing and proposing for to get to the closing table, which is not uncommon, is asking for any one of the San Antonio Housing Trust Entities to provide a loan in the amount of $4 million dollars. This loan will be a soft loan that would have a 0% interest rate and the terms would be coterminous with our senior lender because it cannot be repaid prior to our senior debt."

4. **RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (CATTLEMAN SQUARE LOFTS APARTMENTS), SERIES 2023; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed to the board on Item #4 for the Cattleman Square Lofts in Council District 5.

MINUTES COMMISSION ACTION:

Councilwoman Castillo motioned, and Jordan Ghawi seconded to approve Item #4 for the Cattleman Square Lofts.

AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

5. **RESOLUTION AUTHORIZING THE CATTLEMAN SQUARE LOFTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND OF THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AUTHORIZING THE CREATION OF SAHT CATTLEMAN SQUARE LP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on Item #5 for the Cattleman Square Lofts in Council District 5.

Councilman Courage asked Pete Alanis if there is any wording in the documentation for the 40-year amortization scheduled 20-year 1.23-million-dollar loan provided by the PFC that states the loan could be paid back sooner than the 20 years. Pete stated that the loan could possibly be paid back to the PFC before the 20-year mark but is not guaranteed due to the County's due process on loans provided for projects.

MINUTES COMMISSION ACTION:
Councilwoman Castillo motioned, and Councilman Courage seconded to approve Item #5 for the Cattleman Square Lofts.
AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

6. **RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE BONDS PALLADIUM CRESTWAY APARTMENTS), SERIES 2023; AND OTHER MATTERS IN CONNECTION THEREWITH.**

President Rocha Garcia convened the SAHT PFC meeting into Executive Session at 2:45 PM to discuss Item Number 6.

Executive Session. The San Antonio Housing Trust reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), and 551.087 (economic development). ANY ITEM DISCUSSED IN THE EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.

President Rocha Garcia reconvened the SAHT PFC meeting into open session at 3:25 PM. No action was taken place during the Executive Session.

President Rocha Garcia invited Avis Chaisson from Palladium USA to finish briefing the board on her presentation from her public comment.

Councilman Courage asked Avis Chaisson if the amount for the gap would be 2 million instead of the 4 million. Avis responded stating if they defer the developer fees to year 12 and are approved for the fee waivers, then the gap would be 2 million dollars. Palladium hopes to receive a fee waiver from SAWs in the amount of 1 million dollars. Councilman Courage expressed his concern about a gap still existing in the amount of 1 million dollars.

Eric Cooper asked Avis Chaisson what Palladium USAs Annual Revenues are as a corporation. Avis stated she would have to get back to Eric with the answer. Eric asked if there is a way to adjust rent affordability to increase rent revenues to offset the gap. Pete Alanis responded stating the project is income averaging just below the 60% AMI level and the AMI cannot be changed. The 70% and 80% AMI units will average off the total of revenue streaming from the project.

James Plummer, bond and general partnership counsel, asked if Palladium USA is asking the SAHT PFC to provide a $2 million-dollar soft loan or provide $900,000 plus the developer fee that the PFC receives to be used as part of the loan to Palladium USA. Avis stated that the PFC would initially provide Palladium USA with $800,000, with the rest of the $2 million-dollar soft loan provided with a portion of developer fees generated from the deal.

President Rocha Garcia reconvened the SAHT PFC meeting into Executive Session at 3:52 PM.

Executive Session. The San Antonio Housing Trust reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), and 551.087 (economic development). ANY ITEM DISCUSSED IN THE EXECUTIVE SESSION MAY BE ACTED ON IN OPEN SESSION.

President Rocha Garcia reconvened the SAHT PFC meeting into open session at 4:11 PM. No action was taken place during the Executive Session.

MINUTES COMMISSION ACTION:
Jordan Ghawi motioned, and Councilwoman Castillo seconded to approve Item #6 for the Palladium San Antonio Apartments.
AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

7. **RESOLUTION AUTHORIZING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT PALLADIUM CRESTWAY GP, LLC AND ITS ADMISSION AS THE**

GENERAL PARTNER OF PALLADIUM SAN ANTONIO II, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.

MINUTES COMMISSION ACTION:
Jordan Ghawi motioned, and Councilman McKee-Rodriguez seconded to table Item #7 for the Palladium Crestway Apartments to a special SAHT PFC meeting to be held on Friday, June 30, 2023, and authorize Executive Director to negotiate with Palladium USA.
AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

8. **RESOLUTION AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023A; SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS, SERIES 2023B, AND SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (LEON CREEK FLATS APARTMENTS), SERIES 2023C; AND OTHER MATTERS IN CONNECTION THEREWITH.**

   Pete Alanis briefed the board on the Leon Creek Flats Apartments project in Council District 4, and the proposed resolution for final approval of the Leon Creek Flats Apartments transaction.

   MINUTES COMMISSION ACTION:
   Councilwoman Castillo motioned, and Councilman McKee-Rodriguez seconded to approve Item #8 for the Leon Creek Flats Apartments.
   AYES: 6
   NAYS:
   ABSTAINED:
   THE MOTION PASSED.

9. **RESOLUTION AUTHORIZING THE LEON CREEK FLATS APARTMENTS (F/K/A ELLISON APARTMENTS) TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH. LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT ELLISON APARTMENTS GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF ELLISON APARTMENTS LIMITED PARTNERSHIP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE**

AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the Leon Creek Flats Apartments project in Council District 4.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Jordan Ghawi seconded to approve a resolution authorizing the Leon Creek Flats Apartments transaction.

AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

10. BRIEFING, DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION ADOPTING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION INVESTMENT POLICY.

Pete Alanis briefed the board on the proposed resolution adopting the SAHT PFC Investment Policy.

President Rocha Garcia asked Pete Alanis if integrity and ethics could be discussed when researching banks for the SAHT PFC to invest in. Pete Alanis stated that he would discuss the matter with Troy Elliot, managing trustee for the San Antonio Housing Trust, before investing with certain banks.

Councilman Courage asked Pete Alanis if the Finance and Audit Committee would get the chance to vote on investors SAHT would invest with. Pete stated that any investors would have to be approved by the Finance and Audit Committee before final approval from the board.

MINUTES COMMISSION ACTION:

Councilman Courage motioned, and Councilwoman Castillo seconded to approve a resolution adopting the San Antonio Housing Trust Public Facility Corporation Investment Policy.

AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

11. BRIEFING, DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION AND THE CITY OF SAN ANTONIO FOR THE SA READY TO WORK PROGRAM AND ALL OTHER MATTERS IN CONNECTION THEREWITH.

Pete Alanis briefed the board on the proposed resolution authorizing the SAHT PFC to enter a MOU with City of San Antonio SA Ready to Work Program.

MINUTES COMMISSION ACTION:
Councilman McKee-Rodriguez motioned, and Councilwoman Castillo seconded to approve a resolution to enter into a memorandum of understanding between the San Antonio Housing Trust Public Facility Corporation and the City of San Antonio for the SA Ready to Work Program.
AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

12. BRIEFING ON STATE OF TEXAS LEGISLATIVE ACTIONS.
Pete Alanis briefed the board on the State of Texas Legislative Actions.

NO ACTION TAKEN.

13. ADJOURNMENT
President Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 4:42 p.m.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION
OFFICIAL MEETING MINUTES

DATE: June 30, 2023

TIME AND PLACE: The Public Facility Corporation met in session at 11:00 a.m., via Zoom and in person at 114 W Commerce, San Antonio, TX 78205.

PRESENT: Councilwoman Adriana Rocha, Eric Cooper, Councilwoman Phyllis Viagran, Councilman John Courage, and Councilman Jalen McKee-Rodriguez

ABSENT: Antoinette Brumfield, Mark Carmona, Councilwoman Teri Castillo, Jordan Ghawi, Rachell Hathaway, Marinella Murillo, and Jane Paccione.

STAFF/VISITORS PRESENT:
Pedro Alanis- Executive Director San Antonio Housing Trust Foundation.; Susan Snowden- Finance Director San Antonio Housing Trust; Tom Roth- Director of Development San Antonio Housing Trust Foundation; Jessica Kuehne- Director of Asset Management San Antonio Housing Trust Foundation.; John Hernandez- Senior Asset Manager San Antonio Housing Trust Foundation; Lauren Bejaran- Senior Administrative Assistant San Antonio Housing Trust Foundation; Ruben Lizalde- D3; Edward Muniga- D4; Milee Ray- D9; Allison Beaver- NHSD; Summer Greathouse- Attorney Bracewell; Clarissa Rodriguez- Attorney DNRBZ; Mirla Lopez- SEFLA Languages Interpreter; Avis Chaisson- Palladium Group USA; Abner Olivares- Yale University.

14. **CALL TO ORDER AND ROLL CALL:** The meeting was called to order by President Rocha Garcia and roll call was called by Lauren Bejaran.

15. **RESOLUTION AUTHORIZING THE PALLADIUM CRESTWAY APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE CREATION OF SAHT PALLADIUM CRESTWAY GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF PALLADIUM SAN ANTONIO II, LTD.; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH.**

Pete Alanis briefed the board on the proposed resolution authorizing The Palladium Crestway Apartments transaction.

MINUTES COMMISSION ACTION:
Councilman McKee-Rodriguez motioned, and Councilwoman Viagran seconded to approve Item #2 for The Palladium Crestway Apartments transaction.
AYES: 4

NAYS:
ABSTAINED:
THE MOTION PASSED.

16. ADJOURNMENT

President Adriana Rocha Garcia adjourned the meeting. There being no further business, the meeting adjourned at 11:09 a.m.

San Antonio Housing Trust Public Facility Corporation
Agenda Item 3

Public Comment

Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters; a total of 15 minutes will be provided.

To sign up for Public Comment please call 210-735-2772 24 hours prior to this meeting to place your name on the list.

Los oradores interesados tendrán 3 minutos cada uno para dirigirse a la Junta sobre temas de la agenda o asuntos relacionados con la política de vivienda; Se proporcionará un total de 15 minutos.

Para inscribirse en Comentario Público, llame al 210-735-2772 24 horas antes de esta reunión para incluir su nombre en la lista.

San Antonio Housing Trust Public Facility
Agenda Item 4

Final authorizations to close on the Pavilion at Culebra Apartments

Background

Tirol Housing, LLC developer of the Pavilion at Culebra received an inducement resolution from Bexar County Housing Finance Corporation for a $28.5M reservation of Private Activity Bonds. On January 12, 2023, the project was awarded the $28.5M bond allocation from the Texas Bond Review Board (TBRB).

SAHT PFC induced our participation in the proposed tax credit partnership on February 17, 2023. The developer subsequently filed an application with TDHCA for 4% Low Income Housing Tax Credits. The financing for this project must close by August 2023.

Property Information

The 199-unit garden style development is located 6.96-acre parcel located at 4740 & 4742 Culebra Road between Mira Vista and El Centro Street in Council District 5. The project originally proposed all 199 units at the 60% AMI level. The unit mix and affordability structure is indicated below:

Unit Mix & Affordability			
	30% AMI	60% AMI	Total
1 Bedroom	9	79	88
2 Bedroom	9	79	88
3 Bedroom	3	20	23
Total	**21**	**178**	**199**

Development Team

The developer is Tirol Housing, LLC which is based in Portland, Oregon was established in 2007. The organization, through their affiliate Pavilion Construction has completed over 100 multifamily projects (68 which were affordable) containing over 6,000 units. The organization has completed projects in Washington, Oregon, New Mexico, and Texas. The property will be professionally managed by Greystar Management, an experienced third-party management firm. Pavilion Construction will be the GC and has secured HEDK Architects along with Westwood Civil Engineers.

Site Information

The development is a garden style 3-story walk up design. The property will be fully gated and include the following amenities: Swimming pool, Playgrounds, Clubhouse with exercise room, computer room, activity center, Units will be internet/cable ready, Energy star rated appliances and washer/dryers in each unit. The developer has committed to increasing the number of accessible units for mobility, visual, and hearing impaired from the required 5%/2% to 10%/4%.

The developer has obtained title to the land which is properly zoned MF 33. The site has good access to highway connectors and services along Culebra Road. There is a Via bus stop on the frontage road in front of the property along Culebra Road. The property is serviced by the San Antonio Independent School District.

Financial Considerations:

Total development cost is estimated at $42.2M. The project was originally proposed as having 100% of the units @60% AMI. Staff requested that the developer modify the affordability structure to include 10% of the units @30% AMI. This deeper affordability created a funding gap. The developer applied for COSA Housing Bond funds and was awarded a $1.7M allocation. The project currently does not have a funding gap due to the CoSA bond award and additional fee waivers that were granted.

SAHT is anticipated to receive the following:

- 40% of Development/Deferred fee (estimated at $1,920,000)
- 50% of cash flow after payment of Deferred Development Fee (estimated at $351,480)
- 25% of the sales tax savings (estimated @$265,000)

Other:

- Project will adhere to SAHT's Tenant Protection Policy
- Tenant Emergency Assistance Matters (TEAM) reserve of $298,500 will be funded from sales tax rebates and development fees)
- Project will participate in the SA Ready to Work Program
- Project will register affordable units with City's Housing Base San Antonio

Recommendation

The Finance Committee recommends authorizing a Resolution for the Pavilion at Culebra Apartments.

Attachments:

Resolutions

PAVILION AT CULEBRA APARTMENTS

CERTIFICATE FOR RESOLUTION

The undersigned officer San Antonio Housing Trust Public Facility Corporation, a Texas nonprofit corporation created pursuant to the laws of the State of Texas ("SAHTPFC") hereby certifies as follows:

1. In accordance with its bylaws, the Board of Directors of SAHTPFC (the "Board") held a meeting on July 21, 2023, (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

> RESOLUTION AUTHORIZING THE PAVILION AT CULEBRA APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF ALL OF THE MEMBERSHIP INTEREST OF SAHT CULEBRA ROAD APARTMENTS GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF CULEBRA ROAD APARTMENTS LIMITED PARTNERSHIP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

(the "Resolution") was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Bylaws of SAHTPFC.

SIGNED July 21, 2023.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION AUTHORIZING THE PAVILION AT CULEBRA APARTMENTS TRANSACTION, INCLUDING THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AUTHORIZING THE PURCHASE OF THE LAND FOR THE TRANSACTION AND THE LEASE OF SUCH LAND FOR THE TRANSACTION; AND AUTHORIZING THE ACQUISITION OF ALL OF THE MEMBERSHIP INTEREST OF SAHT CULEBRA ROAD APARTMENTS GP, LLC AND ITS ADMISSION AS THE GENERAL PARTNER OF CULEBRA ROAD APARTMENTS LIMITED PARTNERSHIP; AND AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO ENTER INTO A JOINT VENTURE AGREEMENT TO SERVE AS THE GENERAL CONTRACTOR; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Culebra Road Apartment, LP, a Texas limited partnership (the "Partnership"), and SAHT Culebra Road Apartments GP, LLC, a Texas limited liability company and its general partner (the "General Partner"), have been formed to acquire and construct an approximately 199-unit multifamily housing facility (the "Housing Facility") to be located at approximately 4740 Culebra Road, San Antonio, Texas 78328 (the "Land," together with the Housing Facility, the "Project");

WHEREAS, at the request of the Partnership, the San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") has agreed to (i) serve as the sole member of the General Partner of the Partnership in connection with the financing of the Project, (ii) acquire the Land and lease it to the Partnership pursuant to a Ground Lease (the "Ground Lease") and (iii) to enter into a joint venture agreement to serve as the general contractor for the Project;

WHEREAS, the Partnership has requested that SAHTPFC issue its Multifamily Housing Revenue Bonds (Pavilion at Culebra Apartments) Series 2023 (the "Bonds") to finance the Project (the "Bond Financing");

WHEREAS, SAHTPFC will issue the Bonds in an amount not to exceed $28,500,000 and loan such proceeds to the Partnership;

WHEREAS, in connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to the Indenture, Loan Agreement, the Note, the Regulatory Agreement and Declaration of Restrictive Covenants, the Tax Exemption Certification and Agreement, a Ground Lease, a Preliminary Official Statement and a Bond Purchase Agreement (collectively, the "Bond Documents");

WHEREAS, in connection with the financing, the Partnership will also enter into a loan transaction with Colliers Securities, LLC for a loan secured by the United States Department of Housing and Urban Development pursuant to Section 221(d)(4) of the National Housing Act in the approximate amount of $17,000,000 (the "HUD Loan");

WHEREAS, in connection with the execution of the HUD Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including, but not limited to, a Building Loan Agreement, a Firm Commitment, a Note (Multistate), a Multifamily Deed of Trust, Assignment of Rents and Security Agreement together with a Ground Lessor Subordination and Joinder, a Regulatory Agreement, a Replacement Reserve Agreement, Certificates of Borrower, and a Subordination Agreement (collectively, the "HUD Documents");

WHEREAS, Tirol Housing, LLC, as developer of the Project, on behalf of the Partnership, has applied for low-income housing tax credits (the "LIHTCs") from the Texas Department of Housing and Community Affairs ("TDHCA");

WHEREAS, in connection with the application for LIHTCs, it is anticipated that the Partnership, General Partner and/or SAHTPFC will be required to execute, complete and deliver various applications, agreements, documents, certificates and instruments to TDHCA (the "TDHCA Documents");

WHEREAS, in order to provide additional funds for the construction of the Project to the Partnership, the Partnership may enter into a loan of City of San Antonio Housing Bond funds from the City of San Antonio in the approximate amount of $1,750,000 (the "COSA Loan");

WHEREAS, in connection with the COSA Loan, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, program, development or loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the COSA Loan (collectively, the "COSA Loan Documents");

WHEREAS, in order to obtain additional funds for the construction of the Project, the Partnership may enter into such other subordinate loan transactions as it deems necessary (collectively, the "Subordinate Loans");

WHEREAS, in connection with the Subordinate Loans, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to, loan agreements, promissory notes, deeds of trust, restrictive covenants, security agreements, pledge agreements, intercreditor and subordination agreements, and various other ancillary agreements, assignments, documents and certificates relating to or required in connection with the Subordinate Loans (collectively, the "Subordinate Loan Documents");

WHEREAS, the Partnership will contribute approximately $17,350,000 of equity to the construction of the Project, which will be raised from the sale of tax credits to a low-income housing tax credit investor (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Amended and Restated Agreement of Limited Partnership, and including the documents attached as exhibits thereto and closing certificates (collectively, the "Equity Documents");

WHEREAS, to reduce the cost of the Project by eliminating sales tax on the construction of the Project, SAHTPFC will serve as a joint venturer in the general contractor and enter into any required construction contracts and ancillary documents (the "Construction Documents");

WHEREAS, the board of directors of SAHTPFC (the "Board") has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the Partnership may construct the Project;

WHEREAS, the Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHTPFC;

BE IT THEREFORE RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION, THAT:

Section 1. The Project, the various forms of financing contemplated for the Project, including but not limited to the Bond Financing, the HUD Loan, the COSA Loan, the Subordinate Loans and the Equity Financing and the terms of the Bond Documents, the HUD Documents, the COSA Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Construction Documents and the Equity Documents, are hereby authorized and approved when such documents are executed by the officers provided below.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all documentation required for the financing and construction of the Project, including, but not limited to, the Bond Documents, the HUD Documents, the COSA Loan Documents, the Subordinate Loan Documents, the TDHCA Documents, the Construction Documents and the Equity Documents, indemnity agreements and guaranties covering the Land or the Project, and all other documents relating to the Bond Financing, the HUD Loan, the COSA Loan, the Subordinate Loans and the Equity Financing, to which the Partnership, the General Partner, and/or SAHTPFC is a party.

Section 3. The purchase of the Land, the lease of the Land pursuant to the Ground Lease, the acquisition of the membership interest in the General Partner by SAHTPFC and its admission as the general partner of the Partnership, and the role of SAHTPFC as a joint venturer in the general contractor for the Project are approved and the President, any Vice President, the Secretary, the Treasurer, and any Assistant Secretary, or any of them, are hereby authorized to execute the documents required to be executed by SAHTPFC in order to effect such transactions.

Section 4. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHTPFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHTPFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHTPFC, and approval of the terms of

any of the documents by such officers and the Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The officers of SAHTPFC, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 6. The officers of SAHTPFC hereby approve the selection of Bracewell LLP as counsel to the General Partner and SAHTPFC for this transaction.

Section 7. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 9. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. This Resolution shall be in force and effect from and after its passage.

San Antonio Housing Trust Public Facility
Agenda Item 5

Authorization to establish a $10 million Frost Bank Facility

Summary

As part of the Five-Year Strategic Plan, SAHT seeks creative options to contribute to the *Construction of New Affordable Rental Housing.* One of the options includes the strategy land acquisition for future affordable housing development. To take advantage of opportunities to acquire land, it is important that SAHT have access to a reliable source of capital to efficiently establish site control and close on available property.

Staff approached Frost Bank to establish a *credit facility* which can be used to finance the acquisition of land or existing improved properties. This will provide SAHT with greater flexibility since it will reduce the amount of cash that needs to be utilized to acquire such properties.

Below are the salient terms of the credit facility:

Borrower: San Antonio Housing Trust Public Facility Corporation (SAHTPFC)

Amount: $10,000,000

Term: Facility expires 18 months from initial closing

Maturity: Each drawdown of the facility will mature in 60 months

Interest Rate: 80.4% of Daily Simple Secured Overnight Financing Rate (SOFR), plus 1.78% per annum. SAHT will have the ability to enter into interest rate swap contracts to eliminate interest rate risk.

Collateral: First lien deed of trust on financed property

Loan to Value: 75% of the lower of the purchase price or appraised value of the collateral

Payments: Each drawdown will be interest only for 36 months. A 10% principal reduction will be required at the end of 36 months. An additional 10% reduction will be required at the end of 48 months. Any remaining balance will be paid in full at the end of 60 months.

Fees: *There is no upfront cost for the credit facility*. There will be a .5% origination fee for each drawdown event. Frost will charge for legal and third-party reports for each draw down on the credit facility which are estimated as follows:

- Appraisal $5,000 - $7,000
- Environmental Assessment $2,500
- Survey $5,000 (unless SAHTPFC provides an acceptable survey)
- Legal estimated at $6,000

SAHT would be required to maintain primary deposit accounts with Frost, maintain liquid assets of at least $2,000,000, and provide semi-annual and annual financial statements.

The credit facility and development costs would be repaid from long term development resources such as Low-Income Housing Tax Credits (LIHTC 4% and 9%), or essential bond executions which would typically close within 36-48 months of the acquisition date.

Fiscal Impact

There is no cost to establishing the facility. There is no requirement to use the facility. SAHT would likely utilize the facility on acquiring multiple parcels over several acquisitions.

To understand the total fiscal impact, we have assumed the entire $10M facility was utilized at one time to provide the following forecast. A $10M facility allows SAHT to purchase up to $13.33 million in property and due diligence costs, due to a 75% LTV requirement.

SAHT would provide $3.33M and Frost would provide $10M in cash at closing with a beginning *effective interest rate of 5.86%*. The interest is based on 1.78% above 80.4% of SOFR which is a variable rate.

SAHT may opt to engage in an interest rate swap option to hedge against any interest rate risk. This would come at an additional upfront cost through our Financial Advisor (Stifel).

For this example, SAHT staff has included an annual 25 basis point escalator to provide a forecast of the effective variable interest rate.

- Year 1 interest costs (80.4% of SOFR + 1.78) is estimated at $586k.
- Year 2 interest costs is estimated at $606k.
- Year 3 interest costs is estimated at $626k
- Year 4 interest costs is estimated at $582k plus 10% or $1 million buy down
- Year 5 interest costs is estimated at $533k plus 10% or $900k buy down

Total forecasted interest paid over five years is estimated at $2.93M. At the end of Year 5, $8,099,190 would be due to Frost.

To mitigate this interest costs, SAHT would provide $10M of its existing cash via its investments policy to offset the effective interest rate of the Frost Facility. With an average 5% return this equates to $2.5 million over five years. The difference of $2.93M – 2.50M is approximately $433k. This would be the estimated net cost to offset our acquisition risk for 5 years.

Recommendation

The Finance Committee recommends authorizing the establishment of the $10M facility.

Attachments:

Resolution

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

A RESOLUTION BY THE BOARD OF DIRECTORS AUTHORIZING THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION TO OBTAIN A CREDIT FACILITY IN THE AMOUNT OF $10,000,000.00 AND WITH A MATURITY OF FIVE YEARS PER DRAWDOWN, FROM FROST BANK; AUTHORIZING THE ASSISTANT SECRETARY TO EXECUTE ALL DOCUMENTATION NECESSARY TO COMMENCE AND CARRY OUT THE CREDIT FACILITY AGREEMENT AND OTHER DOCUMENTS, INCLUDING BUT NOT LIMITED TO POSSIBLE INTEREST RATE SWAPS OR LOAN AND REAL PROPERTY CLOSING TRANSACTIONS PURSUANT TO SAME; AND ADDRESSING RELATED MATTERS.

RECITALS

WHEREAS, the San Antonio Housing Trust Public Facility Corporation (sometimes "PFC") was created pursuant to Chapter 303 of the Texas Local Government Code, and as such is bestowed with broad powers to finance or to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs; and

WHEREAS, the San Antonio Housing Trust uses the PFC to create new affordable housing opportunities with the development community while using tax exemptions and various structured deals to enable affordable housing projects to be financially feasible.

WHEREAS, the PFC wishes to obtain a Credit Facility with Frost Bank in the amount of $10,000,000.00, with a maturity date of 60 months for each drawdown, and which will be used primarily for the acquisition of land or existing property for future redevelopment opportunities for affordable housing development; and

WHEREAS, the PFC Board of Directors hereby finds that it is beneficial to the PFC, and by extension the community, to obtain the Credit Facility as described herein in the best interests of the community to authorize the execution of all documents required to establish, obtain, and use the Credit Facility in order to expand the PFC capacity to acquire land or property for affordable housing;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION THAT:

Section 1. The above Recitals are true and correct, and are a material part of this Resolution and are incorporated herein for all purposes;

Section 2. The Board of Directors of the San Antonio Housing Trust Public Facility Corporation hereby authorizes the Assistant Secretary to execute a Credit Facility agreement with Frost Bank in the amount of $10,000,000.00 and with a 60-month maturity date per drawdown; and to execute any other necessary documents or authorizations for the term of the Credit Facility

agreement or related closing agreements, including but not limited to documents authorizing interest rate swaps, in order to effectuate the financial resources provided therein for the PFC purposes stated herein.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED this_____ day of_____, 2023.

SIGNED:

_____
Councilwoman Adriana Rocha Garcia
President

ATTEST:

_____
Jordan Ghawi, Secretary

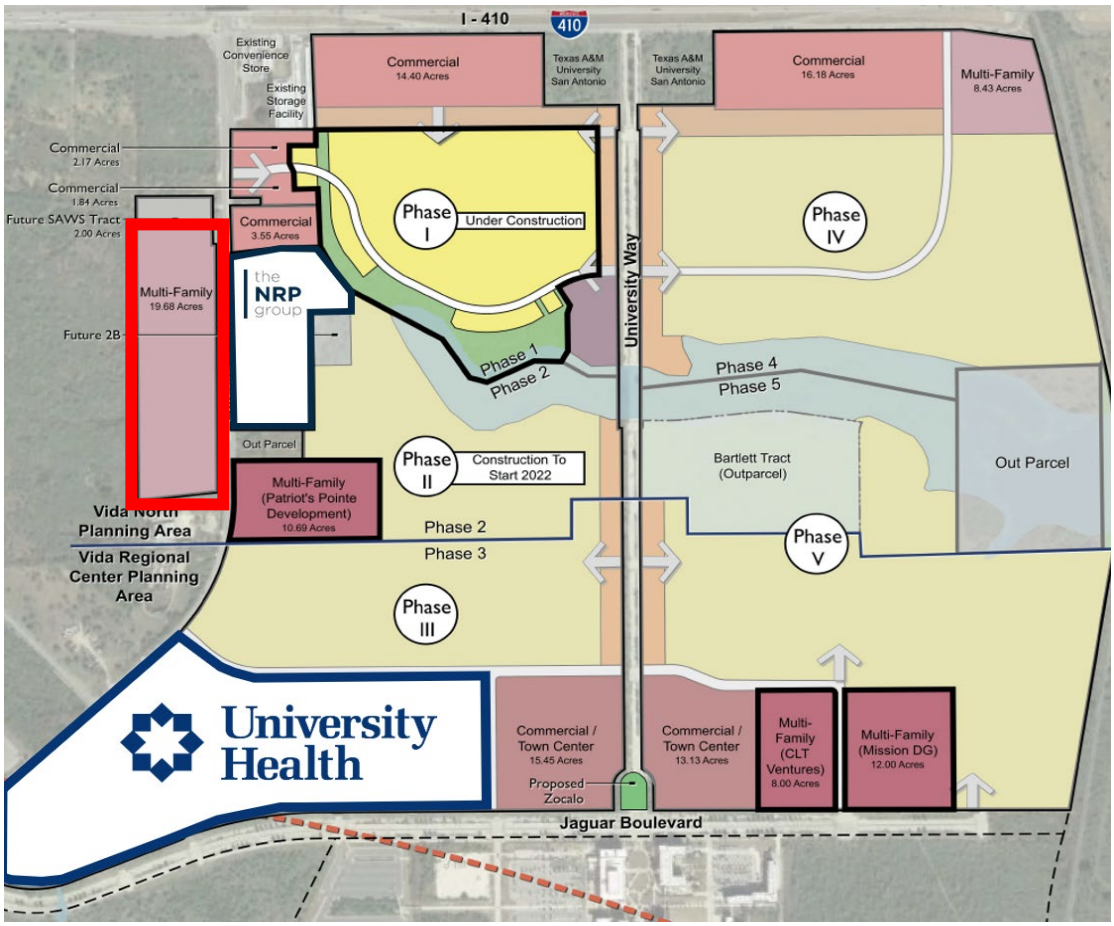
San Antonio Housing Trust Public Facility
Agenda Item 6

Authorization to acquire up to 19.68 acres of vacant land along the west side of S. Zarzamora, south of 410 in Phase II of the VIDA Development.

Background

As part of the Five-Year Strategic Plan, SAHT seeks creative options to contribute to the *Construction of New Affordable Rental Housing.* One of the options includes the strategy land acquisition for future affordable housing development.

Staff proposes purchasing between 10 and 19.68 acres of vacant land along the west side of S. Zarzamora, south of 410 in Phase II of the VIDA Development in Council District 4. Southstar at Verano Investment LLC has accepted SAHT PFC's conditional offer with a sales price based on $3.95/SF, subject to the final acreage amount which would range between $1.72M and $3.39M.



Upon execution of the purchase and sale contract, CBRE will commence due diligence on behalf of SAHT PFC. The Feasibility Period shall be from the effective date of the contract through December 1, 2023, with a land closing date of December 31, 2023.

The board previously approved an PFC Budget amendment to cover acquisition due diligence activities including third party reports such as massing studies, environmental, surveying, financial advising services, and architect/engineering services.

Fiscal Impact
Upon execution of the PSA, SAHT PFC shall deposit as Earnest Money the sum of $15,000.00 with Chicago Title. The estimated initial preclosing due diligence budget previously approved by the board is $232,000.

The final acquisition size and costs will depend on the due diligence conducted on the site which will instruct the minimum acreage needed for the future residential property. SAHT may elect to pay cash from available PFC funds or to utilize capacity from an established lending facility.

Recommendation
The Finance and Audit Committee recommends authorizing the Executive Director to execute a purchase and sales agreement for the purchase between 10.00 and 19.68 acres of vacant land along the west side of S. Zarzamora, south of 410 in Phase II of the VIDA Development.

Attachment
Resolution
Draft PSA Agreement

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

A RESOLUTION BY THE BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT FOR THE PURCHASE OF AT LEAST 10.00 AND NO MORE THAN APPROXIMATELY 19.68 ACRES OF REAL PROPERTY LOCATED ALONG THE WEST SIDE OF S. ZARZAMORA, SOUTH OF 410 IN PHASE II OF THE VIDA DEVELOPMENT IN COUNCIL DISTRICT 4, IN SAN ANTONIO, TEXAS, FROM SOUTHSTAR AT VERANO INVESTMENT, LLC; AUTHORIZING SIGNATORIES; AND ADDRESSING RELATED MATTERS.

RECITALS

WHEREAS, the San Antonio Housing Trust Public Facility Corporation (sometimes "PFC") finds that the purchase of real property is among the means necessary for the successful realization of the San Antonio Housing Trust in providing low- and moderate-income housing and revitalizing neighborhoods in the community; and

WHEREAS, the PFC finds that the acquisition of certain real property, located at along the West side of S. Zarzamora, south of 410 in phase II of the VIDA Development in Council District 4 in San Antonio, Texas (the "Property"), will provide the PFC with additional resources and opportunity to carry out its purposes relating to affordable housing; and

WHEREAS, the PFC has negotiated a purchase and sale agreement ("Agreement") with Southstar at Verano Investment, LLC ("Seller") for PFC use in effectuating affordable housing development; and

WHEREAS, the Board of Directors hereby finds that it is in the best interests of the San Antonio Housing Trust Public Facility Corporation to acquire the Property as provided herein, and authorize the Executive Director to execute the Agreement with Seller in order to acquire the Property;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION THAT:

Section 1. The above Recitals are true and correct, and are a material part of this Resolution and are incorporated herein for all purposes;

Section 2. The Board of Directors of the San Antonio Housing Trust Public Facility Corporation hereby approves the purchase of the Property for a maximum purchase price of Three Million Three Hundred Eighty Six Thousand One Hundred Eighty and 16/100 Dollars ($3,386,180.16), subject to adjustment so that the exact purchase price equals the product of Three and 95/100 Dollars ($3.95) multiplied times the total number of square feet in area comprising the Property, excluding closing costs, and as contemplated in substantial form by the Agreement included as Exhibit "A" to this Resolution;

Section 3. The Board of Directors of the PFC further authorizes the Assistant Secretary to execute the Agreement and all other necessary and required closing and other documents in order

to effectuate the conveyance of the Property;

Section 4. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid provision.

Section 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 8. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED this_____ day of_____, 2023.

SIGNED:

_____
Councilwoman Adriana Rocha Garcia
President

ATTEST:

_____
Jordan Ghawi, Secretary

EXHIBIT "A"

(SEE ATTACHED AGREEMENT)

CONTRACT OF SALE

THIS CONTRACT OF SALE (this "**Agreement**") is dated and entered into as of June ___, 2023 (the "**Effective Date**"), by and between **SOUTHSTAR AT VERANO INVESTMENT, LLC**, a Texas limited liability company ("**Seller**"), and the **SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION**, and/or assigns ("**Buyer**" and, together with Seller, the "**Parties**", and each, a "**Party**"). Seller and Buyer, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. THE PROPERTY

Subject to the terms and provisions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller approximately 19.68 acres of real property located in the City of San Antonio, County of Bexar, State of Texas, as described and/or depicted on **Exhibit A** attached hereto and incorporated herein by reference for all purposes (the "**Land**"), and all of the buildings and improvements on the Land and all rights and appurtenances thereon or in anywise appertaining thereto (the "**Improvements**" and, together with the Land, including all of Seller's right, title and interest, if any, in and to the mineral rights and development permits and rights associated with the Land, the "**Property**"); provided, however, the Property shall not include, and the consummation of the sale contemplated by this Agreement shall not convey, any rights of Seller under that that certain Amended and Restated Development Agreement by and among the City of San Antonio, Bexar County, the TIRZ Board and Seller (as successor by assignment from Verano Land Group, LP), effective June 10, 2016, approved by the City Council pursuant to Ordinance No. 2016-01-28-0041, passed by the City Council of the City on the 28th day of January, 2016, by the County, acting through its County Judge pursuant to authority granted by the Bexar County Commissioners Court on the 3rd day of May, 2016, and by the TIRZ Board on the 29th day of March, 2016 (as such agreement may be amended, the "**TIRZ Agreement**"), which rights, including the right to payments for Public Improvements (as defined in the TIRZ Agreement) constructed on the Land, shall be reserved by Seller for the sole benefit of Seller.

Seller and Buyer acknowledge and agree that the Survey (hereinafter defined), as provided for in Section 4(b) of this Agreement, shall substantially depict the Land as it is generally depicted on Exhibit A. Pursuant to the terms and conditions set forth in this Section 1, the Survey shall be deemed incorporated into this Agreement for purposes of depicting the Land to be conveyed hereunder, and Seller and Buyer agree that such Survey shall govern and control.

In the event Buyer elects to purchase a smaller portion of the Property pursuant to Section 5(c) ("Reduction in Property Acreage"), Buyer shall order an additional survey depicting the reduced area of the Property to be purchased (the "Additional Survey") and submit to Seller no later than thirty (30) days prior to the expiration of the Feasibility Period (hereinafter defined) for Seller's review and written approval ("**Seller's Survey Approval**"), which shall not be unreasonably withheld, conditioned or delayed. Upon receipt of the Additional Survey (or any updates thereto, as may be required pursuant to this Section 1), Seller shall approve or disapprove thereof by written notice to Buyer delivered within five (5) Business Days (hereinafter defined) after Seller's receipt of the Additional Survey (or any updates thereto, as may be required pursuant

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to this Section 1). In the event Seller disapproves of the Additional Survey (or any updates thereto, as may be required pursuant to this Section 1) as submitted, Seller shall provide a reasonably detailed explanation for such disapproval, and Buyer may modify and resubmit the Additional Survey in accordance with this Section 1 until Seller provides, or is deemed to have provided, Seller's Survey Approval. If Seller fails to approve or disapprove the Additional Survey within any such applicable five (5) Business Day period, Seller shall be conclusively deemed to have approved the Additional Survey as submitted. Notwithstanding the notice requirements set forth in Section 11(e) of this Agreement, email notice (to such email addresses so set forth in Section 11(e)) shall be sufficient for any notice or approval so required in this Section 1.

Following delivery of Seller's Additional Survey Approval (or following Seller's deemed approval), Buyer may not materially modify the Additional Survey's boundaries, without again being required to obtain Seller's Additional Survey Approval pursuant to the same terms as set forth in this Section 1.

Notwithstanding any provision contained in this Agreement to the contrary, in the event Seller has not provided Seller's Additional Survey Approval (or deemed approval) prior to Closing (hereinafter defined), Buyer shall be permitted to terminate this Agreement by written notice to Seller, which shall be a Permitted Termination (hereinafter defined) treated in accordance with the terms of Section 10(a) hereof.

2. PURCHASE PRICE

The total purchase price for the Property shall be approximately Three Million Three Hundred Eighty Six Thousand One Hundred Eighty and 16/100 Dollars ($3,386,180.16), subject to adjustment so that the exact purchase price equals the product of Three and 95/100 Dollars ($3.95) multiplied times the total number of square feet in area comprising the Land as shown on the final Survey later provided for herein (the "**Purchase Price**") to be paid to Seller in cash at Closing (hereinafter defined), subject to prorations and other credits provided for in this Agreement.

3. CONSIDERATION AND DEPOSIT

(a) Deposit. Within five (5) days after the Effective Date, Buyer shall deposit with Chicago Title Company, Attention: Robert Jordan, 15727 Anthem Parkway, Suite 210, San Antonio, Texas 78249, Phone: (210) 482-3701, Email: robert.jordan@ctt.com (as applicable, the "**Escrow Agent**" or the "**Title Company**"), the sum of Fifteen Thousand and 00/100 Dollars ($15,000.00) (the "**Deposit**").

(b) Application. The Deposit shall be applied as a credit against the Purchase Price at Closing unless refunded to Buyer or paid as liquidated damages to Seller as herein provided. The Deposit shall be refundable to Buyer in the case of a Permitted Termination (hereinafter defined) by Buyer or a default by Seller.

(c) Interest. The Deposit shall be deposited in an interest bearing account in a federally insured institution in the United States, or other investment acceptable to Buyer. Interest on the Deposit shall become part of the Deposit.

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(d) Independent Consideration. Notwithstanding anything to the contrary herein, a portion of the Deposit equal to One Hundred and No/100 Dollars ($100.00) (the "**Independent Consideration**") of the Deposit shall be nonrefundable to Buyer and paid to Seller, which Independent Consideration Seller and Buyer have bargained for and agreed to as independent and sufficient consideration for Seller's execution and delivery of this Agreement and the grant of the Feasibility Period.

4. TITLE AND SURVEY

(a) Title Commitment. Seller shall, as soon as possible but not later than fifteen (15) days following the Effective Date, cause to be furnished to Buyer a title insurance commitment (the "**Title Commitment**") for a current standard T-1 form of TLTA Owner's Policy of title insurance issued by the Title Company in the amount of the Purchase Price, or, so long as Buyer agrees to pay any increased premium associated therewith, such greater amount as specified by Buyer, listing Buyer or its assignee as the proposed insured and including all requested endorsements (the "**Title Policy**"). At such time as Seller causes the Title Commitment to be furnished to Buyer, Seller shall further cause to be furnished to Buyer legible true copies of all instruments referred to in the Title Commitment as conditions or exceptions to title to the Property (collectively, the "**Exception Documents**").

(b) Survey. Seller shall, as soon as possible but not later than five (5) days following the Effective Date, deliver to Purchaser and the Title Company its existing survey (the "Existing Survey") of a tract of land that includes the Land. If the Existing Survey is not acceptable to the Title Company (and assuming the "Additional Survey" is not obtained), Purchaser shall, within ten (10) days after Purchaser has been informed in writing by Seller that the Existing Survey is not acceptable to the Title Company, order a new survey of the Property (the "**New Survey**") and cause copies of such New Survey to be delivered to the Title Company and the Seller following receipt thereof. The Existing Survey, if accepted by the Title Company, or the New Survey, if obtained in lieu of an Existing Survey, or Additional Survey, if Buyer elects to purchase pursuant to the Reduction in Property Acreage option in Section 5(c), shall be referred to herein as the "**Survey**".

(c) Review Period; Objections to Status of Title. Within fifteen (15) days after receipt of the Title Commitment, Additional Survey, Existing Survey or New Survey (as may be applicable), and the Exception Documents (the "**Review Period**"), Buyer shall be permitted to notify Seller in writing (the "**Title Objection Notice**") of any objections Buyer has with respect to any matters relating to the Title Commitment or the Survey (each, a "**Title Objection**"). In the event that Buyer shall send Seller any Title Objections during the Review Period, Seller shall have ten (10) days following receipt of the Title Objection Notice ("**Seller's Response Period**") to provide Buyer with written notice ("**Seller's Notice**") indicating whether Seller elects with respect to each Title Objection, to (i) cure such Title Objection on or prior to the Closing Date or (ii) not cure such Title Objection. If Seller fails to provide Seller's Notice, then Seller shall be deemed to have elected not to cure such Title Objections. If Seller, in its sole discretion, elects not to cure any of the Title Objections, then, within ten (10) days following receipt of Seller's Notice (or if Seller fails

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to provide Seller's Notice, within ten (10) days following the expiration of Seller's Response Period) ("**Buyer's Election Period**"), Buyer shall deliver written notice ("**Buyer's Election**") to Seller electing to (A) waive such Title Objections and purchase the Property as otherwise contemplated in this Agreement, notwithstanding such Title Objections, in which event the applicable Title Objections shall become Permitted Exceptions, and Seller shall convey the Property to Buyer by the Deed (hereinafter defined), subject to the Permitted Exceptions, or (B) terminate this Agreement, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) hereof. If Buyer fails to timely provide Buyer's Election, then Buyer shall be deemed to have elected to waive such Title Objections pursuant to clause (A) of this Section. Should any additional exceptions to title or survey matters ("**New Title Matters**") be disclosed in any update or otherwise after the Feasibility Period, Buyer's obligation to purchase the Property shall be conditioned upon Buyer's approval of such New Title Matters, which approval shall be at Buyer's sole discretion, and Buyer shall have the right to provide objections to the New Title Matters, and thereafter the Parties shall proceed pursuant to the same Seller Response Period and Buyer's Election Period as were available for Buyer's initial Title Objections as set forth herein, and Closing shall automatically be extended accordingly to account for such time periods. The term "**Permitted Exceptions**" shall mean (i) the exceptions in the Title Commitment or matters set forth in the Survey that Seller has not agreed to remove as provided in Sections 4(c)-(d) hereof, and (ii) Taxes (hereinafter defined) that are a lien not yet due and payable as of the Closing.

(d) Monetary Encumbrances. Notwithstanding the foregoing or any contrary provisions contained herein, Seller shall pay and discharge from record all mortgages, liens and other encumbrances of ascertainable amounts that were caused by Seller (except for real estate taxes and assessments attributable to the Property (collectively, "**Taxes**") not yet due and payable as of the Closing) (collectively, the "**Monetary Encumbrances**"), provided that Seller may use a portion of the Purchase Price to effect such cure at Closing, and in no event shall such exceptions be deemed Permitted Exceptions (hereinafter defined). In the event Seller fails to satisfy its obligation to remove and cure any such Monetary Encumbrances at or prior to Closing, Buyer shall have the right in its sole discretion to satisfy such obligations on behalf of Seller (including, without limitation, the payment or any prepayment penalties in connection with discharging any Monetary Encumbrances) and to deduct from or receive a credit against the Purchase Price all costs and expenses incurred by Buyer in connection with the same; the exercise of such right shall not, however, waive Seller's default in performing its obligations hereunder.

(e) Buyer acknowledges that the Property is subject to the TIRZ Agreement, a copy of which will be provided to Buyer as part of the Seller Deliveries (hereinafter defined). Although Buyer shall have an opportunity to review the TIRZ Agreement during the Review Period in accordance with subsection (c) above, the TIRZ Agreement shall be a Permitted Exception if Buyer proceeds to Closing. Without limiting the foregoing, Buyer, upon Closing, shall be required to comply with all terms of the TIRZ Agreement applicable to the development of the Property and shall cooperate with Seller, as developer under the TIRZ Agreement, in connection with Seller's submissions to the City of San Antonio and/or the Board (as defined in the TIRZ Agreement). Buyer's obligations shall

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be set forth in the Deed (hereinafter defined) and shall be binding upon future owners of the Property.

5. INVESTIGATION BY BUYER

(a) Seller Deliveries. Seller shall, as soon as possible but not later than ten (10) days following the Effective Date, deliver to Buyer, at Seller's sole cost and expense, the following items, to the extent in Seller's possession or control (the "**Seller Deliveries**"):

(i) copies of any Tax bills, including, but not limited to, property, personal, rental and special assessments for 2020, 2021 and 2022, and current tax appraisals;

(ii) a list of all contracts of employment, management, maintenance, service, supply or rental which affect any portion of the Property or its operation and which will remain in effect with respect to the Property after Closing;

(iii) an inventory of all personalty, if any, constituting part of the Property showing the description, quality and location of each item;

(iv) copies of all environmental site assessments or geotechnical, endangered special and environmental inspection reports of the Property or any portion of the Property, provided that portions of assessments or reports that are unrelated to, and that do not otherwise affect, the Property may be omitted or redacted;

(v) copies of all leases affecting the Property, if any, together with a rent roll certified by Seller to be true and correct;

(vi) copies of other existing surveys (beyond Seller's Existing Survey), site plans, topographical maps, engineering plans, development plans or studies, drainage studies, soil and substrata studies, property condition reports, permits, approvals and (if applicable) certificates of occupancy, in each case, that pertain to the Property and that are in Seller's possession;

(vii) copies of any site and building plan studies (in CAD, if available);

(viii) copies of all code violation notices, contamination notices, condemnation notices, proceedings and awards, or other notices pertaining to the Property that may have been received by Seller from a governmental entity within the past two (2) years; and

(ix) copies of all utility services agreements pertaining to the Property.

If Seller fails to deliver the Seller Deliveries to Buyer within said ten (10) day period, or fails to notify Buyer of inability to obtain certain Seller Deliveries, then the Feasibility Period shall be extended by one day for each day delivery is delayed.

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(b) Feasibility Period. Buyer shall have a period from the Effective Date through December 1, 2023 (the "**Feasibility Period**") to examine the Seller Deliveries and to physically inspect the Property. Seller shall permit Buyer from and after the Effective Date to enter, during normal business hours and upon not less than 24-hours' notice, the Property to conducts inspections and tests on the Property, which may include without limitation surveys, environmental testing, engineering studies, soil analysis and core drilling (collectively, "**Inspections**"). Buyer shall repair any physical damage attributable to the conduct of the Inspections, and shall return the Property to substantially the same condition as existed prior to the conduct thereof. Buyer shall indemnify and hold Seller harmless from any and all costs or damages resulting from the Inspections, except to the extent such costs or damages are attributable to the negligent acts or omissions of Seller or Seller's officers, shareholders, directors, partners and affiliates, employees, agents, successors, and assigns. Buyer's obligation to repair and/or restore the Property and the indemnity set forth in this Section 5(b) shall survive the termination of this Agreement. Notwithstanding the foregoing, Buyer shall have no obligation or liability to Seller under this Section for claims arising out of or related to (i) the discovery or exacerbation by Buyer, or any Buyer's representative, of any adverse condition or defect on, under or affecting the Property; or (ii) the discovery or exacerbation by Buyer, or any Buyer's representative, of any hazardous or toxic materials, substances or wastes, or other materials injurious to human health or the environment within, on, under or adjacent to the Property that were not released or deposited by Buyer or any of Buyer's representatives. Seller will cooperate with and assist Buyer in connection with any investigations that Buyer reasonably deems necessary to determine the feasibility of the construction of the Residential Community (hereinafter defined). Such cooperation shall include, without being limited to, the signing of all documents necessary or instant to the processing of such applications, attendance at whatever meetings may be required in order that Buyer may receive approval of such applications, and signing and recording any subdivision plat and any applications therefor as may be requested by Buyer to accommodate Buyer's intended apartment development with sufficient utility capacity and with conditions acceptable to Buyer in Buyer's sole discretion (collectively, the "**Residential Community**").

(c) Reduction in Property Acreage. If, during the Feasibility Period, Buyer determines, in the sole discretion, that the acreage of the Property is greater than is needed for the Residential Community, Buyer may, by delivering written notice to Seller ("**Buyer's Property Replacement Proposal**"), propose to replace the Property to be purchased hereunder with a portion of the Property, consisting of a single tract of not less than 10.00 acres. Seller may, in its sole discretion, accept, reject or propose modifications to Buyer's Property Replacement Proposal by delivering a written response to Buyer within five (5) days of Seller's receipt of Buyer's Property Replacement Proposal,and if Seller fails to deliver such response, Seller shall be deemed to have accepted Buyer's Property Replacement Proposal. If Seller rejects Buyer's Property Replacement Proposal, or if Seller and Buyer do not agree to a modification to such proposal, Buyer shall either (A) elect to proceed to purchase the Property as set forth in this Agreement, and Seller shall convey the Property to Buyer by the Deed (hereinafter defined), subject to the Permitted Exceptions, or (B) terminate this Agreement, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) hereof. Such termination must be given in a written notice delivered to Seller prior to the expiration of the Feasibility Period

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and if Buyer fails to timely deliver any such notice of termination, Buyer shall be deemed to have waived its right to terminate under this Section 5(c). The provisions of this Section and the elections of Buyer and Seller herein shall not serve to extend the Feasibility Period, or Buyer's right to terminate this Agreement under this Section 5(c), be extended, regardless of whether Seller has responded (or not responded) to Buyer's Property Replacement Proposal or whether any negotiations or discussions regarding the identity of the Property are continuing at the time of the expiration of the Feasibility Period. If Seller accepts Buyer's Property Replacement Proposal or if the parties agree to a modification of such proposal, the parties will execute an amendment to this Agreement, reflecting the new description of the Property and the Purchase Price shall be adjusted based on the new acreage in accordance with Section 2 above.

(d) Approval of Inspections. If Buyer determines, in Buyer's sole and absolute discretion, that Buyer does not want to purchase the Property, for any or no reason, Buyer shall be permitted to terminate this Agreement by written notice to Seller prior to the expiration of the Feasibility Period, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) hereof. If Buyer does not terminate the Agreement as set forth in this Section, then the Deposit shall become nonrefundable (except in the event of Permitted Termination or a default by Seller), but shall be applicable to the Purchase Price at Closing.

6. WARRANTIES AND REPRESENTATIONS

(a) Warranties and Representations. Seller represents and warrants to Buyer as of the Effective Date and as of the Closing Date that:

(i) Seller is a limited liability company duly organized and validly existing under the laws of the State of Texas. This Agreement and all agreements, instruments and documents herein provided to be executed or to be caused to be executed by Seller are and on the Closing Date will be duly authorized, executed and delivered by and binding upon Seller. Seller has the capacity and authority to execute this Agreement and perform the obligations of Seller under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Seller has been taken, and such action has not been rescinded or modified. The person signing this Agreement on behalf of Seller has been duly authorized to sign and deliver this Agreement on behalf of Seller. No consent of any third party is required in order for Seller to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Upon the execution of this Agreement, this Agreement will be legally binding upon Seller, enforceable in accordance with its terms.

(ii) The execution and delivery of this Agreement and performance by Seller will not conflict with or result in a violation of, or breach of, or constitute a default under, any law or administrative regulation or any of the terms, conditions or provisions of any judgment, decree, loan agreement, bond, note, resolution, indenture, mortgage, deed of trust, contract or other agreement or instrument to which it is a party and which affects the Property.

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(iii) To the Knowledge of Seller (hereinafter defined), there are no legal actions, suits or similar proceedings pending and served, nor has any legal action, suit or similar proceeding been threatened, by or before any federal, state, county, or municipal department, commission, board, bureau or agency or other governmental instrumentality against Seller or the Property.

(iv) To the Knowledge of Seller, there are no pending, nor are there any threatened actions by any governmental authority having the power of condemnation or eminent domain, which might result in all or any portion of the Property or any interest therein being taken by eminent domain, condemnation or conveyed in lieu thereof.

(v) Seller has received no notice from any governmental authority alleging that the Property is in violation of applicable laws, ordinances or regulations, including applicable environmental laws, rules, regulations and orders, which remain uncured. Seller has received no notice of (a) actual or threatened special assessments or reassessments of the Property or (b) proposed changes in the roads adjacent to the Property.

(vi) [No portion of the Property shall, as of or subsequent to the Closing Date, be subject to the burdens or obligations of any agreement which would impose financial obligations, restrict or inhibit the operation and use of the Property by Buyer, other than any exceptions provided in the Title Commitment, or any requirements of the TIRZ Agreement or any PUD or MUD covering the Property.][1]

(vii) The Property is free and clear of all mechanic's liens, liens, mortgages or encumbrances of any nature except as expressly permitted in this Agreement, and no work has been performed or is in progress by Seller, and no materials have been furnished to the Property, which might give rise to mechanic's, materialman's or other liens against the Property or any portion, except for existing mortgages that will be released with respect to the Property at or before Closing.

(viii) There are no adverse parties in possession of the Property or of any part thereof and no parties in possession thereof except Seller, except as otherwise expressly disclosed in the Title Commitment, and no party has been granted any license, lease or other right relating to the use or possession of the Property.

(ix) There are no contracts or other obligations outstanding for the sale, exchange or transfer of the Property or any portion thereof or the business operated thereon. There is no agreement of sale or option or right of first refusal or right of first offer or similar agreement with respect to the Property giving any party a right to purchase all or any interest in the Property, except for this Agreement.

(x) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings

[1] NTD: To be confirmed.

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in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller or pending against Seller or the Property.

(xi) There are no lease brokerage agreements, leasing commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants, with respect to the Property, nor is any tail period currently in effect with respect to any of the foregoing agreements.

(xii) As to any and all reports and other information that was not generated by Seller, but which Seller has provided Buyer as part of the Seller Deliveries (collectively referred to herein as "**Third Party Information**"), Seller makes no representation or warranties as to the truth and accuracy of the Third Party Information; provided, however, Seller represents that it knows of no information that would cause the Third Party Information to be false or misleading in any material way. Seller has made available to Buyer a correct and complete copy of each of the Seller Deliveries (including all amendments, modifications, extensions, renewals, side letters, guarantees and other documents relating thereto). Each of the Seller Deliveries that constitute an agreement that would be binding on the Property or Buyer after the Closing are in full force and effect and neither Seller nor, to the Knowledge of Seller, any other party thereto, is in default under any such agreement.

(xiii) Except as may be disclosed in the Seller Deliveries, there are no wetlands, oil or gas wells (capped or uncapped) or underground storage tanks (in use or abandoned) on or about the Property, and all previously existing underground storage tanks on or about the Property were removed in compliance with all applicable laws, rules, regulations and orders. Except as may be disclosed in the Seller Deliveries, neither Seller, nor to Seller's knowledge, any prior owner of occupant has: (i) caused or permitted, and Seller has received no notice and has no knowledge of, the generation, manufacture, refinement, transportation, treatment, storage, deposit, release, salvage, installation, removal, disposal, transfer, production, burning or processing of Hazardous Substances (hereinafter defined) or other dangerous or toxic substances or solid wastes on, under or about the Property; (ii) caused or permitted, and Seller has received no notice and has no knowledge of, the Release (hereinafter defined) or existence of any Hazardous Substance on, under or affecting the Property; or (iii) caused or permitted, and Seller has received no notice and has no knowledge of, any substances or conditions on, under or affecting the Property which may support any claim or cause of action, whether by any governmental agency or any other person, under any applicable federal, state, or local law, rule, ordinance or regulation. For the purpose of this Agreement, the terms "**Hazardous Substances**" and "**Release**" shall have the same meaning as set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 et. seq.; provided, however, that the definition of Hazardous Substances shall also include petroleum and related by-products, hydrocarbons, radon, asbestos, urea formaldehyde and polychlorinated biphenyl compounds.

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(xiv) Seller is a citizen or resident of the United States of America, a domestic partnership, a domestic corporation or a non-foreign estate or trust, is not a "foreign person" and is not currently a U.S. Real Property Holding Company (as the foregoing terms are defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended (the "**Federal Tax Laws**")) and Buyer is not required to withhold from Seller, pursuant to the Federal Tax Laws, any of the consideration to be paid for the Property pursuant to this Agreement. None of the funds used by Seller to operate the Property is or shall be subject to 18 U.S.C. §§ 1956-1957 (Laundering of Money Instruments), 18 U.S.C. §§ 981-986 (Federal Asset Forfeiture), 18 U.S.C. §§ 881 (Drug Property Seizure), Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001, or the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (the "**USA Patriot Act**").

(xv) There are no persons who are presently employed by Seller in connection with the operation of the Property whose employment will not terminate as to the Property on or before the Closing Date.

"Knowledge of Seller" means the knowledge of Seller based upon the current, actual knowledge of Thad Rutherford in his capacity as Vice President of Seller, without any duty on the part of any such person to conduct any independent investigation or make any inquiry of any person or entity. As qualified herein, Seller represents that Thad Rutherford in his capacity as Vice President of Seller has acquired a working knowledge of the current general condition of the Property and of Seller's history of ownership of the Property.

(b) Property Condition. EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR ANY OF THE CLOSING DOCUMENTS, BUYER ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION "AS IS," WHERE "IS" AND "WITH ALL FAULTS." EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION, INCOME TO BE DERIVED FROM OR EXPENSES TO BE INCURRED WITH RESPECT TO SUCH PROPERTY, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY. EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR ANY OF THE CLOSING DOCUMENTS, BUYER SHALL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY ANY PARTY PURPORTING TO ACT ON BEHALF OF SELLER. BUYER IS PURCHASING THE PROPERTY WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, OTHER THAN THE WARRANTY OF TITLE CONTAINED IN

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THE SPECIAL WARRANTY DEED AND THE WARRANTIES AND REPRESENTATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

(c) Closing Certificate. At Closing, Seller shall execute and deliver to Buyer a certificate ("**Closing Certificate**") certifying that the representations and warranties set forth by Seller in this Agreement are true and correct as of Closing except as may be otherwise set forth in the Closing Certificate. If the qualifications set forth in the Closing Certificate are material and arise as a result of causes other than the act or failure to act of Seller, Buyer (as its sole remedy) may either: (a) waive said matter and close this transaction in accordance with the terms hereof; or (b) elect to terminate this Agreement by delivering written notice thereof to Seller on or before the Closing, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) hereof. Notwithstanding the foregoing, if the qualifications set forth in the Closing Certificate arise out of the act or failure to act of Seller, Buyer shall have the remedies set forth in Section 10(b).

(d) Survival. The representations and warranties made by Seller in Section 6(a) hereof or in any document or instrument delivered by Seller to Buyer at Closing ("**Seller's Representations**") shall survive any inspection or investigation made by or on behalf of Buyer and the passage of title from Seller to Buyer and shall thereafter survive for a period of one (1) year at which time they shall terminate if Buyer has not previously commenced litigation based on the breach thereof. Notwithstanding anything contained in this Agreement to the contrary, Seller shall have no liability for breaches of any representations, warranties and certifications that are made by Seller herein or in any of the documents or instruments required to be delivered by Seller hereunder if, prior to Closing, Buyer or its officers had actual knowledge of such breach by Seller as to a fact or circumstance which, by its nature, indicates that a representation was or has become untrue or inaccurate and Buyer either (a) during the Feasibility Period, fails to terminate this Agreement as set forth in Section 5(d) or (b) at any other time at or prior to Closing, Buyer elects to proceed to close the transaction contemplated by this Agreement, and Buyer shall not otherwise have the right to bring any lawsuit or other legal action against Seller, nor pursue any other remedies against Seller, as a result of the breach of such representation caused thereby.

7. CLOSING

(a) Time and Place of Closing. Provided that all of the conditions of this Agreement shall have been satisfied, and specifically all Conditions Precedent (hereinafter defined) to Closing, on or prior to the Closing Date (hereinafter defined), the transaction contemplated by this Agreement shall be closed via mail away closing through at the Escrow Agent at such time and on such date as may be agreed upon by Buyer and Seller; provided, however, that the closing shall occur on or before December 29, 2023[2]. The time and date of such closing is referred to herein as the "**Closing Date**" or the "**Closing**". Buyer shall have the right to accelerate the Closing Date by giving not less than five (5) days prior written notice to Seller of its intent to acquire the Property.

[2] NTD: December 31st is a Sunday.

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(b) Expenses.

(i) Escrow Agent shall charge Seller the cost for the following: (i) any governmental transfer taxes, conveyance fees and documentary stamps; (ii) any rollback taxes due (including any rollback taxes as a result of a change in zoning or land use); (iii) one-half (1/2) of the escrow fee charged by the Escrow Agent; (iv) the cost of the Title Commitment and standard Title Policy, excluding Buyer's lender's policy and any endorsements to the Title Policy requested by Buyer; and (v) Seller's share of the prorations as set forth in this Agreement.

(ii) Escrow Agent shall charge Buyer the cost for the following: (i) the Survey, if obtained; (ii) one-half (1/2) of the escrow fee charged by the Escrow Agent; (iii) any endorsements to the Title Policy requested by Buyer and any loan policy of title insurance requested by Buyer's lender; (iv) the recording fees for the Deed and any financing secured by Buyer; (v) all costs associated with any financing that may be obtained by Buyer; and (vi) Buyer's share of the prorations as set forth in this Agreement.

(iii) Except as otherwise provided in this Section 7(b), all other expenses hereunder shall be paid by the Party incurring such expenses.

(c) Prorations. All Taxes, assessments under any Permitted Exception, and utility charges, if any, with respect to the Property shall be prorated as of 11:59 p.m. local time at the Property on the day prior to the Closing Date based upon actual days of ownership of the Property by each Party. Seller shall pay all Taxes, assessments, and utility charges attributable to any period prior to Closing, and Buyer shall pay all Taxes, assessments, and utility charges attributable to any period on or after the Closing Date. To the extent that the actual amounts of any charges, assessments, and expenses referred to in this Section are unavailable at the Closing Date, the closing statements shall be based upon estimated amounts, and a readjustment of such unavailable items shall be made within thirty (30) days after receipt of the actual bill for such item. In connection with the proration of Taxes, if actual tax figures for the year of Closing are not available at the Closing Date, an estimated proration of Taxes shall be made using tax figures from the preceding year; however, when actual Taxes for the year of Closing are available, a corrected proration of Taxes shall be made. If such Taxes for the year of Closing increase over those for the preceding year, Seller shall pay to Buyer a pro-rata portion of such increase computed to the Closing Date, and conversely, if such Taxes for the year of Closing decrease from those of the preceding year, Buyer shall pay to Seller a pro-rata portion of such decrease computed to the Closing Date. Any such payments are to be made within ten (10) days after notification by either Party that such adjustment is necessary. Seller shall, no later than five (5) Business Days prior to the Closing Date, furnish to Buyer and the Title Company all information necessary to compute the prorations provided for in this Section. Except for the prorations between Buyer and Seller as hereinabove provided, the payment of any and all assessments, special assessments, charges, levies, or taxes against the Property, shall be the sole responsibility of and shall be paid by Seller if due and payable prior to the Closing Date and shall be the sole responsibility of and shall be paid by Buyer if due and payable on or after the Closing Date; provided, however, that Seller shall be

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responsible for and shall pay subsequent assessments for ad valorem taxes for years prior to the year of Closing due to change in land usage or in ownership of the Property. This Section shall survive the Closing and not be merged therein.

(d) Seller Deliveries at Closing. At the Closing, Seller shall deliver to the Escrow Agent the following:

(i) a special warranty deed, in form and substance reasonably approved by Buyer, duly executed and acknowledged by Seller, conveying to Buyer the Property in indefeasible fee simple, free and clear of any lien, encumbrance or exception other than the Permitted Exceptions (the "**Deed**");

(ii) those items required by the Title Company to allow the Title Company to issue the Title Policy conforming to the requirements of Section 4 above and containing no exceptions other than the Permitted Exceptions, including state and local forms and an owner's affidavit;

(iii) a Closing Certificate as required by Section 6(b) of this Agreement;

(iv) such evidence of the authority and capacity of Seller and its representatives as the Title Company may reasonably require;

(v) a "Bills Paid Affidavit" to Buyer and the Title Company verifying that all bills, broker invoices, and other payables due in connection with the Property are paid, and any other documentation reasonably required by the Title Company in connection with the Closing;

(vi) a certificate in form and substance acceptable to Buyer and in compliance with Federal Tax Laws including, without limitation, the Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended, which shall, among other things, set forth under penalty of perjury Seller's taxpayer identification number, a description of the Property, and the statement made under the penalty of perjury that Seller is not a "foreign person" (as defined in the aforementioned Federal Tax Laws) (the "**FIRPTA Affidavit**");

(vii) a Bill of Sale executed by Seller, conveying to Buyer the personal property, if any, free and clear of any lien, encumbrance or exception;

(viii) an Assignment of Agreements and Rights, executed by Seller, conveying to Buyer all contracts, leases, warranties, guaranties, permits, development plans and approvals, intangible property, and such other matters as are being conveyed to Buyer hereunder; and

(ix) the closing statement prepared by the Escrow Agent (the "**Closing Statement**"), executed by Seller and listing all costs and prorations required to be paid by Seller hereunder.

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(e) Buyer Deliveries at Closing. Buyer shall deliver to the Escrow Agent the following:

(i) the balance of the Purchase Price by wire transfer or other immediately available U.S. funds;

(ii) the Closing Statement, executed by Buyer and listing all costs and prorations required to be paid by Buyer hereunder; and

(iii) such evidence of the authority and capacity of Buyer and its representatives as the Title Company may reasonably require.

(f) At Closing, the Title Company shall: (i) deliver the Deed to Buyer by filing the Deed for record in the public records for the jurisdiction in which the Property is located; (ii) pay to Seller the Purchase Price less any credits to which Buyer is entitled; (iii) issue the Title Policy; and (iv) charge Seller and Buyer for the closing costs as set forth on the Closing Statement. Seller shall deliver exclusive possession of the Property to Buyer at the Closing, except for the rights of any parties under the Permitted Exceptions.

(g) Notwithstanding the foregoing provisions of this Section 7, if Seller is a "foreign person" (as defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended, and applicable Treasury Regulations pertaining thereto) or if Seller fails to deliver the FIRPTA Affidavit, then in either such event, although the full consideration required pursuant to Section 2 shall be due by Buyer at Closing, the funding to Seller at the Closing shall be adjusted to the extent required to comply with the aforementioned Federal Tax Laws and the amount so withheld shall be retained by Buyer for delivery to the Internal Revenue Service (together with the appropriate forwarding forms prescribed by the aforementioned Federal Tax Laws).

8. INTERIM RESPONSIBILITIES OF SELLER

Seller agrees that during the period between the Effective Date and the Closing Date:

(a) Seller will manage the Property in accordance with the practices of a prudent real estate operator, including maintaining all of Seller's existing insurance policies with respect to the Property in full force and effect, and shall continue to offer services and amenities (if applicable) in accordance with its practices prior to the Effective Date;

(b) Seller will enter into no agreement with respect to the sale, lease, use, operation or maintenance of any portion of the Property without the prior written consent of Buyer;

(c) subject to the prorations prescribed in Section 7(c) hereof, Seller will cause to be paid any and all costs and expenses of operation and maintenance of the Property incurred or attributable to a period prior to the Closing, and Seller agrees to indemnify and hold Buyer harmless from all such costs and expenses;

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(d) Seller will, at no cost to Seller, cooperate with and assist Buyer in connection with any investigations that Buyer reasonably deems necessary to determine the feasibility of the construction of Buyer's proposed Residential Community, such cooperation will include, without being limited to, the signing of all documents necessary or instant to the processing of such applications and attendance at whatever meetings may be required in order that Buyer may receive approval of such applications;

(e) Seller will not further encumber or permit encumbrance of the Property in any manner, nor shall any easements be created or any existing easements modified or amended, without the express prior written consent of Buyer; and

(f) Seller shall promptly deliver to Buyer all material written notices received by Seller related to the Property, including without limitation any notice sent by any governmental authority or any party under a Permitted Encumbrance.

9. CONDITIONS

(a) Conditions Precedent to Buyer's Obligation to Close. Buyer's obligation to consummate the transactions contemplated hereunder is conditioned upon satisfaction of each of the following conditions (collectively with the other conditions expressly set forth in this Agreement, the "**Conditions Precedent**") at or prior to Closing (or such earlier date as is specified with respect to a particular condition):

(i) Neither Seller, nor any of the individual parties comprising Seller, shall be in receivership or dissolution, or have made any assignment for the benefit of creditors, or admitted in writing their inability to pay their debts as they mature, or have been adjudicated a bankrupt, or have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or any arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any State, and no such petition shall have been filed against it;

(ii) No change shall have occurred with respect to the Property which would in any way affect the findings made by Buyer in connection with its Inspections made pursuant to the terms of this Agreement, unless caused by Buyer during its Inspections;

(iii) Neither the Property nor any part thereof or interest therein shall have been taken by execution or other process of law in any action prior to Closing;

(iv) The Property shall be properly zoned (or rezoned) with all necessary authorities in accordance with all applicable legal requirements to allow the construction and development of the Residential Community;

(v) There shall be no general moratorium or similar restriction imposed by any governmental authority or utility supplier with respect to the issuance of building permits affecting the Property, or sanitary sewer, water or electrical connections with respect thereto, or any other item necessary for construction of the Residential Community; and

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(vi) As of the Closing Date, the Title Company shall be irrevocably committed to issuing to Buyer the Title Policy in conformance with the requirements of Section 4 above, down-dating the effective date to the Closing Date, confirming that all requirements to the issuance of the Title Policy have been satisfied.

(b) In the event that any Condition Precedent is not satisfied at or prior to the Closing (or such earlier date as is specified with respect to a particular condition), Buyer shall be permitted to (i) terminate this Agreement by written notice to Seller, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) of this Agreement, or (ii) waive such condition in its sole discretion and proceed to Closing. Notwithstanding the foregoing, if any Condition Precedent is not satisfied due to the action or inaction of Seller in breach of this Agreement, Buyer shall also have the rights and remedies set forth in Section 10(b) of this Agreement.

10. TERMINATION, DEFAULT AND REMEDIES

(a) Permitted Termination. If this Agreement is terminated by Buyer pursuant to a right expressly given to Buyer to do so hereunder (herein referred to as a "**Permitted Termination**"), then the Deposit shall immediately be returned to Buyer, and thereafter this Agreement shall be null and void, and neither Party shall have any further obligations hereunder, except for such obligations that expressly survive the termination of this Agreement.

(b) Default by Seller. Notwithstanding any provisions of this Agreement to the contrary, in the event of a breach or default hereunder by Seller, then Buyer shall have the right to pursue the following remedies: (i) to terminate this Agreement, in which event (1) the Deposit and all other monies and documents deposited by Buyer shall be returned to Buyer and (2) Seller shall be responsible for all title costs and accrued escrow fees and shall reimburse Buyer for all actual out-of-pocket costs and expenses incurred to third parties related to the transaction contemplated by this Agreement; (ii) pursue any other available remedies at law; or (iii) sue Seller for specific performance (Seller and Buyer acknowledging that money damages may not be an adequate remedy for a breach of this Agreement by Seller), in which event, Buyer shall be entitled to reimbursement by Seller of Buyer's costs and expenses, including reasonable attorney's fees, incurred in connection with such action.

(c) Default by Buyer. Notwithstanding any provisions of this Agreement to the contrary, Buyer shall be in default hereunder if Buyer shall fail to deliver at the Closing any of the items required of Buyer in Section 7(e) hereof, for any reason other than a default by Seller hereunder or a Permitted Termination. In the event of a default by Buyer hereunder that is not cured within ten (10) days after written notice thereby from Seller to Buyer, then Seller, as Seller's sole and exclusive remedy for such default, shall be entitled to terminate this Agreement by written notice to Buyer and receive the Deposit, it being agreed between Buyer and Seller that (i) such sum shall be liquidated damages for a default by Buyer hereunder because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default; (ii) the amount of the Deposit as liquidated

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damages is fair and equitable; and (iii) Seller expressly waives the right to exercise any and all other rights available at law or in equity, including, but not limited to, the right to sue Buyer for additional damages or specific performance; and thereafter this Agreement shall be null and void, and neither Party shall have any further obligations hereunder, except for such obligations that expressly survive the termination of this Agreement. For clarification, the foregoing limitations shall not apply to Buyer's indemnity pursuant to Section 5 above or Section 11(c) below or to Buyer's obligation to repair and/or restore the Property as provided in Section 5 above.

(d) Intentionally Left Blank.

(e) Limited Recourse. The recourse of either party hereto shall not extend to any of their respective shareholders, directors, officers, employees, agents, constituent partners, members, managers, beneficiaries, trustees or representatives.

11. MISCELLANEOUS

(a) Casualty Loss. All risk of loss to the Improvements on the Property shall remain upon Seller prior to Closing. Until the Closing Date, Seller shall maintain insurance coverage insuring the Property in the form and in the amount as is in effect on the Effective Date, and shall maintain the Property in the same condition as existed on the Effective Date, except for ordinary wear and tear. If, before the Closing Date, any part of the Property is destroyed or damaged, Buyer shall have the right: (a) to terminate this Agreement by written notice to Seller, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) of this Agreement; or (b) to accept the Property in its then current condition and to receive the proceeds of, or the assignment of the right to receive, any insurance settlement arising from such damage and an amount equal to the deductible on Seller's insurance policy.

(b) Condemnation. From the Effective Date through the Closing Date, Seller agrees to give Buyer prompt notice of any actual or proposed taking or condemnation of all or any portion of the Property. If such actual or proposed taking or condemnation of all or any portion of the Property as would, in Buyer's sole discretion, interfere with Buyer's intended use thereof, then, in any such event, Buyer shall be permitted to terminate this Agreement by written notice to Seller, which shall be a Permitted Termination treated in accordance with the terms of Section 10(a) of this Agreement. If Buyer does not elect to terminate this Agreement, then the Closing shall take place as provided herein and the Purchase Price shall be reduced by a pro-rata amount based on the number of square feet affected by such taking or condemnation multiplied by the dividend of the Purchase Price divided by the number of square feet of the Property including the square feet subject to such taking or condemnation, and Seller shall assign to Buyer all of Seller's right, title and interest in any condemnation proceeds associated with the Property.

(c) Brokerage Commission. Each Party represents and warrants to the other that, except for Buyer's Broker (hereinafter defined), which represents Buyer only, it has not dealt with any broker or agent who would be entitled to a commission in connection with the sale of the Property pursuant to this Agreement. Seller agrees to indemnify Buyer

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and hold Buyer harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorneys' fees and costs) paid or incurred by Buyer by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any party claiming by, through or under Seller. Buyer agrees, except as set forth in this Section 11(c), to hold Seller harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorney's fees and costs) paid or incurred by Seller by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any party claiming by, through or under Buyer. As used in this Agreement, the term "**commission**" will refer to any brokerage, advisory, or finder's fees or commissions. If, but only if, the Closing occurs, Seller will pay a commission of three percent (3%) of the Purchase Price to CBRE, Inc., Attention: Larry Mendez, 1803 Broadway, Suite 825, San Antonio, Texas 78215, Phone: (210) 225-1000, Email: Larry.Mendez@cbre.com ("**Buyer's Broker**"). If the sale contemplated by this Agreement is not consummated for any reason whatsoever, no commission or any portion of the Deposit will be payable to Buyer's Broker.

(d) No Assumption of Seller's Liabilities. Buyer is acquiring only the Property from Seller and is not the successor of Seller. Buyer does not assume or agree to pay, or indemnify Seller or any other person or entity against, any liability, obligation or expense of Seller or relating to the Property in any way except only to the extent, if any, herein expressly and specifically provided.

(e) Notices. Any notice, consent, approval or communication given pursuant to the provisions of this Agreement shall (except where otherwise expressly permitted by this Agreement) be in writing, addressed as described below, and shall be: (a) delivered by a nationally recognized overnight courier for delivery the following Business Day, in which case notice shall be deemed delivered the date such notice is deposited with such courier; or (b) by email, in which case notice shall be deemed delivered when sent, provided that email notice shall not be effective unless receipt is confirmed or a copy of such notice is sent in accordance with clause (a) of this sentence. Such notices shall be given to the Parties at the following addresses:

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If to Seller: Southstar at Verano Investment, LLC
c/o Southstar Communities
Attn: Thad Rutherford
2055 Central Plaza
Suite 110 – Box 195
New Braunfels, TX 78130
Phone: (512) 865-5901
Email: thad@southstarcommunities.com

With a copy to: Dykema Gossett, PLLC
Attn: Andrew Sherwood
112 East Pecan St., Suite 1800
San Antonio, TX 78205
Phone: (210) 554-5466
Email: asherwood@dykema.com

If to Buyer: San Antonio Housing Trust Public Facility Corporation

Attn: _____
_____
San Antonio, TX 782__
Phone: _____
Email: _____

With a copy to:

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(f) Governing Law; Venue. The laws of the State where the Property is located shall govern the validity, enforcement and interpretation of this Agreement.

(g) Integration. This Agreement constitutes the complete and final expression of the agreement of the parties relating to the Property, and supersedes all previous contracts, agreements, and understandings of the parties, either oral or written, relating to the Property.

(h) Counterpart Execution and Electronic Delivery. This Agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument. Signed counterpart copies of this executed Agreement may be delivered electronically in portable document

format (PDF) or similar electronic means, and such copies shall be deemed to be original executed counterparts of this Agreement.

(i) Headings; Construction. The headings which have been used throughout this Agreement have been inserted for convenience of reference only and do not constitute matter to be construed in interpreting this Agreement. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. The word "including" shall be interpreted to mean "including without limitation." The words "herein," "hereof," "hereunder" and other similar compounds of the words "here" when used in this Agreement shall refer to the entire Agreement and not to any particular provision or Section.

(j) Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

(k) Binding Effect. This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective heirs, executors, personal representatives, successors and assigns. Buyer may assign its rights hereunder and upon acceptance of any such assignment by the assignee and the assumption of Buyer's obligations hereunder to an affiliated entity, and provided that Buyer shall not be relieved of all duties and obligations hereunder. Except as expressly provided herein, nothing in this Agreement is intended to confer on any person, other than the Parties hereto and their respective heirs, executors, personal representatives, successors and assigns, any rights or remedies under or by reason of this Agreement.

(l) Further Acts. In addition to the acts recited in this Agreement to be performed by Seller and Buyer, Seller and Buyer agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated hereby.

(m) Exhibits. All references to Exhibits contained herein are references to Exhibits attached hereto, all of which are made a part hereof for all purposes the same as if set forth herein verbatim, it being expressly understood that if any Exhibit attached hereto which is to be executed and delivered at Closing contains blanks, the same shall be completed correctly and in accordance with the terms and provisions contained herein and as contemplated herein prior to or at the time of execution and delivery thereof.

(n) Reserved.

(o) Modifications and Waivers. This Agreement cannot be changed nor can any provision of this Agreement, or any right or remedy of any Party, be waived orally. Changes and waivers can only be made in writing, and the change or waiver must be signed

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by the Party against whom the change or waiver is sought to be enforced. Any waiver of any provision of this Agreement, or any right or remedy, given on any one or more occasions shall not be deemed a waiver with respect to any other occasion.

(p) Time of the Essence; Business Day. Time shall be of the essence in the performance of all obligations under this Agreement. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required under this Agreement must be performed, or by which Closing must be held, expires on a Saturday, Sunday or a holiday, then such time period shall be automatically extended to the next Business Day. The term "**Business Day**" shall be deemed to mean any day that is not a Saturday, Sunday, legal holiday or other holiday on which federally-chartered banks are required or permitted to be closed for business in the State where the Property is located.

(q) State Specific Provisions. The terms and conditions set forth on **Exhibit B** are incorporated herein by this reference.

[Remainder of Page Intentionally Left Blank. Signatures Appear on Following Page]

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The parties hereto have executed this Agreement as of the Effective Date.

SELLER:

SOUTHSTAR AT VERANO INVESTMENT, LLC,
a Texas limited liability company

By:_____
Thad Rutherford, Vice President

BUYER:

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

By:_____
Pedro Alanis, Assistant Secretary

(Signature page to Contract of Sale)

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RECEIPT OF DEPOSIT
AND AGREEMENT OF TITLE COMPANY

The Title Company hereby acknowledges the receipt of the following:

(i) one (1) fully signed and executed copy of this Agreement; and

(ii) the Deposit in the amount of Fifteen Thousand and 00/100 Dollars ($15,000.00).

The Title Company hereby agrees to hold the Deposit in an interest bearing account as contemplated by this Agreement and to dispose of such funds in strict accordance with the terms and provisions of this Agreement.

CHICAGO TITLE COMPANY

By: _____
Name (Print): _____
Title: _____
Date: _____

Escrow #: _____

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EXHIBIT A

LEGAL DESCRIPTION AND/OR DEPICTION

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EXHIBIT B

STATE SPECIFIC PROVISIONS

Texas:

(i) DTPA WAIVER OF CONSUMER RIGHTS. BUYER AND SELLER ACKNOWLEDGE THAT THE TEXAS DECEPTIVE TRADE PRACTICES AND CONSUMER PROTECTION ACT (SECTION 17.41 ET SEQ. OF THE TEXAS BUSINESS AND COMMERCE CODE), A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS (THE "**TEXAS ACT**"), DOES NOT APPLY TO THE SALE OF THE SUBJECT PROPERTY CONTEMPLATED BY THIS AGREEMENT BECAUSE THE CONSIDERATION FOR THE SUBJECT PROPERTY IS GREATER THAN FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($500,000.00), AND PURSUANT TO SECTION 17.42 OF THE TEXAS ACT, BUYER HEREBY VOLUNTARILY WAIVES ANY RIGHTS THAT IT MAY HAVE UNDER THE TEXAS ACT AFTER CONSULTING WITH LEGAL COUNSEL OF ITS OWN SELECTION.

(ii) NOTICE UNDER TEXAS REAL ESTATE LICENSE ACT; DEED RESTRICTIONS. The Texas Real Estate License Act requires written notice to Buyer that it should have an attorney examine an abstract of title to a Texas property or obtain a title insurance policy. Notice to that effect is, therefore, hereby given to Buyer with respect to this transaction. Seller hereby advises Buyer to review carefully all deed restrictions and similar encumbrances affecting the Property that are indicated by the Title Commitment as obtained by Buyer. The parties further agree that if the Property is located in a city, county or other governmental unit which by law or ordinance requires a closing document listing all deed restrictions and/or similar encumbrances affecting the Property, then at Closing, Buyer and Seller shall execute, acknowledge and record such prescribed closing document.

(iii) Intentionally left blank.

(iv) TEXAS MUNICIPAL UTILITIES DISTRICT NOTICE. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage or flood control facilities and services, the Texas Water Code requires Seller to deliver and Buyer to sign and acknowledge, at the Closing, the statutory notice relating to the tax rate, bonded indebtedness or standby fee of the district. Such notice shall be recorded in the real property (deed) records of the county in which such Property is located.

(v) NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. The following disclosure is made for the purpose of complying with Texas Property Code section 5.010 and is not intended to and does not alter or affect the rights and obligations of Buyer and Seller:

> If, for the current ad valorem tax year, the taxable value of the Property is determined by a special appraisal method that allows for appraisal of the Property at less than its market value, then the person or entity to whom the Property is

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transferred may not be allowed to qualify the Property for that special appraisal in a subsequent tax year and the Property may then be appraised at its full market value. In addition, the transfer of the Property or a subsequent change in the use of the Property may result in the imposition of an additional tax plus interest as a penalty for the transfer or change in the use of the Property. The taxable value of the Property and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the Property is located.

(vi) NOTICE TO BUYER REGARDING RESTRICTIVE COVENANTS. If the Property is located in a municipality that has required any person who sells or conveys restricted property located inside the boundaries of the municipality to first give to Buyer written notice of the restrictions and notice of the municipality's right to enforce compliance, then at Closing, Seller and Buyer shall execute, acknowledge and cause to be recorded in the real property records of the county in which the Property is located the notice required by Section 212.155 of the Texas Local Government Code.

(vii) TIDAL WATERS. Seller hereby notifies Buyer pursuant to Section 33.135 of the Texas Natural Resources Code that if the Property adjoins or abuts tidally influenced waters, then the following notice shall be applicable:

(A) The Property adjoins and shares a common boundary with the tidally influenced submerged lands of the state. The boundary is subject to change and can be determined accurately only by a survey on the ground made by a licensed state land surveyor in accordance with the original grant from the sovereign. The owner of the Property may gain or lose portions of the tract because of changes in the boundary.

(B) The seller, transferor or grantor has no knowledge of any prior fill as it relates to the Property.

(C) State law prohibits the use, encumbrance, construction, or placing of any structure in, on, or over state-owned submerged lands below the applicable tide line, without proper permission.

(D) Buyer is hereby advised to seek the advice of an attorney or other qualified person as to the legal nature and effect of the facts set forth in this notice on the Property. Information regarding the location of the applicable tide line as to the Property may be obtained from the surveying division of the General Land Office in Austin.

(viii) NOTICE TO PURCHASER OF PROPERTY LOCATED IN CERTAIN ANNEXED WATER DISTRICTS. If the Property is situated in a water or sanitary sewer district which entered into a contract with a city with a population of 1.8 million or less that allows the city to set rates in the district after annexation which are different from rates charged to other residents of the city, then at Closing Seller shall issue to Buyer and Buyer shall acknowledge receipt of the notice required by Section 54.016(h)(4)(A) of the Texas Water Code.

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(ix) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER. If the Property is located in a certified water or sewer service area, then following disclosure is made for the purpose of complying with Texas Water Code section 13.257 and is not intended to and does not alter the rights and obligations of Buyer and Seller:

The Property that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your Property is located in a certificated area, then there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding Agreement for the purchase of the Property or at Closing of purchase of the Property.

(x) PUBLIC IMPROVEMENT DISTRICTS. As a courtesy to Buyer, Seller hereby notifies Buyer as follows:

If the property is located in a public improvement district, then as a purchaser of the Property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Buyer's failure to pay the assessments could result in a lien on and the foreclosure of your Property.

(xi) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT. Buyer should contact the Texas Department of Agriculture to determine whether the Property is located in a Texas Agricultural Development District. Notwithstanding the foregoing, if Seller is aware of such location, Seller will certify this to Buyer before closing.

(xii) NOTICE OF UNDERGROUND OR ABOVEGROUND STORAGE TANKS. Notice of Underground or Aboveground Storage Tanks. If the Property includes the sale or conveyance of a tank (or tank system) which is designed or intended to be installed as an underground storage tank or an above ground storage tank, then at Closing, Seller shall issue to Buyer and Buyer shall acknowledge receipt of the notice required by Section 334.9 of the Texas Administrative Code.

(xiii) NOTICE OF LOCATION OF PROPERTY IN THE AREA OF THE ALIGNMENT OF A TRANSPORTATION PROJECT. As a courtesy to Buyer, Seller hereby notifies Buyer as follows:

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The Property may be located within the area of the alignment of a transportation project as shown on a final environmental decision document that is applicable to the future transportation corridor identified in an agreement between the Texas Department of Transportation and the county in which the Property is located under Section 201.619 of the Texas Transportation Code. If Seller is aware of such location, Seller will certify this to Buyer before closing.

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San Antonio Housing Trust Public Facility
Agenda Item 7

Authorization to approve professional services agreement for On Call Architectural Services with Alamo Architects and Lake Flato.

On March 10, 2023, the San Antonio Housing Trust requested proposals from qualified firms to provide an array of Architectural Services for development opportunities master planning and construction related efforts supporting new and existing affordable housing development activities.

SAHT received two responsive proposals from Alamo Architects and Lake Flato and one nonresponsive proposal from Modern Homes. A panel of staff and community experts evaluated the proposals based on the following point scale identified in the Board Approved RFQ.

- *Firm's demonstration of substantial and comprehensive experience*
- *Professional qualifications and licensing of the individual or firm's key team members and references.*
- *Respondent's record and experience with non-profit, public housing entities, and other public agencies.*
- *Firm(s) insurability and status of current work and workload*
- *Firm(s) certified minority-and women-owned business enterprises and/or the employment of minority group members and women*
- *Local office location, access, and availability*

The Evaluation Panel consisting of *(Pete Alanis, Tom Roth, Nicole Collazo, Michael Taylor-Habitat for Humanity & Jack Dysart-Dysart Consulting LLC)* met to review the proposals following the proposal review, the evaluation team elected to select Alamo Architects and Lake Flato for the Finance Committee's consideration.

Alamo Architects (Score 95)
SAHT has several strategic goals that require the renovation of existing affordable housing rental units, construction of new affordable housing units, adaptive reuse of existing structures primarily for residential housing. Alamo Architects are a local firm with an established track record with affordable multifamily construction including rehab and ground up construction, mixed use, historic renovation, and adaptive reuse. The key individuals have over 20 years' experience and worked on affordable housing developments with El Paso and SAHA, including 3 SAHT properties: Trove at Southtown, Greenline North, Park at 38Thirty. The firm has a history of community engagement and outreach efforts. One key individual is currently serving on SAHT's Sustainable and Universal Design committee.

Lake Flato (Score 89)
Lake Flato is also a local firm with an established track record specifically in high quality new construction and adaptive reuse multifamily developments. Very experienced and licensed

architects on team. Lake Flato was selected for its ability to provide creative and unique out of the box thinking. One key member is currently serving on SAHT's Sustainable and Universal Design committee. Lake Flato has worked with several local nonprofits such as San Antonio River Authority, San Antonio River Foundation and the Witte Museum.

Recommendation:
The Finance Committee recommends approving the negotiation and execution of Professional Services Agreements with Lake Flato Architects and Alamo Architects for on call services.

Attachments:

Resolutions

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

A RESOLUTION BY THE BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR THE PURPOSE OF ON CALL ARCHITECTURAL SERVICES WITH ALAMO ARCHITECT AND LAKE FLATO; AND SETTING AN EFFECTIVE DATE

WHEREAS, the San Antonio Housing Trust Public Facility Corporation (sometimes "PFC") has determined that it is necessary to contract for architectural services to better serve the community for accomplishing the purpose of affordable and sustainable housing; and

WHEREAS, the PFC reviewed and evaluated several firms to provide services and determined that Alamo Architect and Lake Flato are highly qualified providers for architectural services based on competence and qualifications and is negotiating a fair and reasonable price which meets the qualifications for providing architectural services; and

WHEREAS, the Board of Directors hereby finds that it is in the best interest of the PFC for the Executive Director to negotiate and to enter into two Professional Services Agreements by and between: 1) Alamo Architect and the San Antonio Housing Trust Public Facility Corporation and 2) Lake Flato and the San Antonio Housing Trust Public Facility Corporation for the purposes of on-call architectural services.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION THAT:

Section 1. The Board of Directors hereby agrees to enter into two Professional Services Agreements for On Call Architectural Services: 1) with Alamo Architect and 2) with Lake Flato**.**

Section 2. The Executive Director is hereby authorized to negotiate and execute the Professional Services Agreement, on behalf of the San Antonio Housing Trust Public Facility Corporation and such other documents and instruments reasonably necessary to conclude the transaction.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid

provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED this_____ day of July, 2023.

SIGNED:

_____
Councilwoman Adriana Rocha Garcia
President

ATTEST:

_____
Jordan Ghawi, Secretary

EXHIBIT "A"

PROFESSIONAL SERVICES AGREEMENT

San Antonio Housing Trust Public Facility
Agenda Item 8

Briefing, discussion and possible action to approve a resolution to approve budget amendments for the San Antonio Housing Trust Public Facility Corporation for Fiscal Year 2023 for various expenditures.

Background

The Board adopted the Annual Operating Budget on September 16, 2022, for the FY 2023 beginning October 1 and ending September 30th.

Staff has reviewed the current year revenues and expenses through the first nine months ending June 30, 2022. Overall, we are in great shape rounding the corner into the last leg of the fiscal year, however, we recommend a 9+3 Budget Amendment to more accurately reflect those adjustments needed to projected revenues and expenses.

Public Facility Corporation	FY 2023 Adopted Budget	Proposed Amendment	FY 2023 Amended Budget
Revenues	$6,162,733	$3,583,987	$9,746,520
Less Operating Expenses	2,475,233	10,837	3,226,070
Increase in Net Position	**$3,687,500**	**$3,573,150**	**$6,520,450**

In the Public Facility Corporation, revenues from development fees and cash flow income are relatively unchanged from $6.16 to $6.15 million. However, the amendment reflects the inclusion of a $2.5 million Bexar County Grant that passed through PFC to purchase land for the Viento Project and a substantial increase in interest income. We also must include for accounting purposes (not cash) the amortized value attribution of ground leases for our developments, which comes out to $1.1 million.

For PFC operating expenses we have a *net increase of $10.8k* which included increases for our previously approved site acquisitions budget and security fees for Friedrich as well as adjustments in professional services expenses.

Recommendation:
The Finance Committee recommends approving a resolution to amend the San Antonio Housing Trust Public Facility Corporation budget for fiscal year 2023.

Attachments:
Budget Amendment
Resolution

SAN ANTONIO HOUSING TRUST

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORP
FY 2023 Budget Amendment #2023-002

	FY 2023 Adopted Budget	Amendment #2023-002	FY 2023 Amended Budget
OPERATING REVENUES			
Grant Income			
Bexar County - Viento Land Purchase	$ -	$ 2,500,000	$ 2,500,000
Fee Income			
Administrative Fees	75,000	-	75,000
Application Fees	-	15,000	15,000
Asset Management Fees	150,000	(10,416)	139,584
Bond Issuance Fees	-	861,194	861,194
Cash Flow Fees	421,559	(312,075)	109,484
Deferred Developer Fees	616,817	509,848	1,126,665
Developer Fees	4,496,070	(1,594,727)	2,901,343
Incentive Management Fees	45,539	(35,774)	9,765
Origination Fees	-	250,000	250,000
Partnership Management Fee	22,500	227,719	250,219
Supervisory Management Fee	18,233	(1,355)	16,878
Total Fee Income	5,845,718	(90,586)	$ 5,755,132
Distribution Income from Cash Flow	316,815	74,573	391,388
Rent Income - Ground Leases	-	1,100,000	1,100,000
TOTAL OPERATING REVENUES	**$ 6,162,533**	**$ 3,583,987**	**$ 9,746,520**
OPERATING EXPENSES			
Administrative Fees	$ 1,540,633	$ (4,003)	$ 1,536,630
Disbursements to City of San Antonio			
Contribution to Trust	-	233,533	233,533
Revenue Share	-	740,000	740,000
Total Disbursements to COSA	-	973,533	973,533
Program Expenses			
Acquisition Site #1	-	108,667	108,667
Acquisition Site #2	-	104,800	104,800
Total Program Expenses	-	213,467	213,467
Professional Services			
Accounting Services	-	65,400	65,400
Asset Management Services	310,000	(130,000)	180,000
Audit Services	-	17,000	17,000
Compliance Monitoring Services	163,600	-	163,600
Real Estate Services	461,000	(461,000)	-
Other Professional Services	-	1,000	1,000
Total Professional Services	934,600	(507,600)	427,000
Properties Expense			
Filing Fees	-	500	500
Security Services	-	73,440	73,440
Total Properties Expense	-	73,940	73,940

SAN ANTONIO HOUSING TRUST

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORP
FY 2023 Budget Amendment #2023-002

	FY 2023 Adopted Budget	Amendment #2023-002	FY 2023 Amended Budget
OPERATING EXPENSES (Continued)			
Subscriptions			
Software Subscriptions	-	1,500	1,500
Total Subscriptions	-	1,500	1,500
TOTAL OPERATING EXPENSES	**$ 2,475,233**	**$ 10,837**	**$ 3,226,070**
OPERATING INCOME (LOSS)	**$ 3,687,300**	**$ 3,573,150**	**$ 6,520,450**
NONOPERATING REVENUES (EXPENSES)			
Income Tax Expense	$ -	$ (150,000)	$ (150,000)
Interest Income - Banks	200	484,800	485,000
TOTAL NONOPERATING REVENUES	$ 200	$ 334,800	$ 335,000
INCREASE (DECREASE) IN NET POSITION	**$ 3,687,500**	**$ 3,907,950**	**$ 6,855,450**

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

A RESOLUTION APPROVING A BUDGET AMENDMENT FOR THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION FOR FISCAL YEAR 2023 RELATED TO A NET INCREASE IN BUDGETED REVENUES AND OPERATING EXPENSES

WHEREAS, the San Antonio Housing Trust Public Facility Corporation (PFC) is pursuing additional opportunities for growing its affordable, sustainable multifamily developments in line with its Strategic Plan and the SHIP; and

WHEREAS, the SAHTPFC annual issuer fees were slightly higher due to payoff of bonds for two projects and there was also a net increase in budgeted revenue because of higher interest income; and

WHEREAS, after reviewing the needs of the SAHTPFC operations, the Executive Director recommends a budget amendment to meet the needs of the organization for revenue, expenses, and to address the change in revenues and operating expenses; and

WHEREAS, Exhibit A evidences the SAHTPFC and revenues related to the fees, changes in revenue, and operating expenses; and

WHEREAS, the Finance and Audit Committee recommends approval of the recommended budget adjustment for SAHTPFC Board consideration and approval; and

WHEREAS, the Public Facility Corporation Board of Directors finds this budget adjustment in the public interest based on changes to revenues and operating expenses for meeting its strategic goals and for such stated purpose as warranted and necessary.

NOW THEREFORE, BE IT RESOLVED BY THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION THAT:

Section 1. The above Recitals are true and correct and are a material part of this Resolution and are incorporated herein for all purposes.

Section 2. The Board of Directors for the San Antonio Housing Trust Public Facility Corporation does hereby approve the budget amendment as recommended by the Executive Director for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023, as indicated in Exhibit A related to changes in revenues and operating expenses.

Section 3. If any section, subsection, clause, phrase or provision of this Article, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Article, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

Section 4. This Resolution shall be cumulative of all provisions of the PFC, except where the provisions of this Resolution are in direct conflict with the provisions of such Resolution, in which event the conflicting provisions of such Resolution are hereby repealed.

Section 5. That it is officially found, determined and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 6. This Resolution shall take effect immediately from and after its passage and the publication of the caption hereof, as provided by law.

PASSED and APPROVED this the ___day of July 2023.

SIGNED:

_____
Councilwoman Adriana Rocha Garcia
President

ATTEST:

_____
Jordan Ghawi, Secretary