AGENDA

A Regular Board Meeting for:
SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
will be held at Municipal Plaza C Room
114 W Commerce St., San Antonio, TX 78205
and virtually via ZOOM:
https://us02web.zoom.us/j/82875357147?pwd=RXFnZ2NVbW5XMW90Z1Y4Wmsxc0lBZz09
DIAL-IN NUMBER: 1-346-248-7799 MEETING ID:828 7535 7147 PASSWORD: 721215
On Friday, September 29, 2023, beginning at 2:00 p.m. or immediately following the adjournment of the San Antonio Housing Trust Public Facility Corporation board meeting.

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 July 28, 2023.
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Consideration and possible action to approve the San Antonio Housing Trust Finance Corporation FY 2024 Annual Budget and to authorize the expenditures contained therein.
5. Briefing, discussion and possible action regarding a resolution concerning the application of the Arbors at West Avenue LP relating to the proposed financing of up to $4,000,000 of the costs of the acquisition, construction, and equipping of the Arbors at West Avenue Apartments and other matters in connection therewith.
6. Adjournment.

***Executive Session**

The San Antonio Housing Trust Finance 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 FINANCE 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 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 Finance Corporation
Agenda Item 2

This item includes the approval of minutes from the **July 28, 2023**, meeting.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES

DATE: July 28, 2023

TIME AND PLACE: The Finance Corporation met in session at 3:34 p.m., via Zoom and in person at 114 W Commerce St, San Antonio, TX 78205.

PRESENT: Antoinette Brumfield, Eric Cooper, Jordan Ghawi, Rachell Hathaway, Marinella Murillo, Jane Paccione, Councilwoman Adriana Rocha, and Councilwoman Phyllis Viagran

ABSENT: Mark Carmona, Councilwoman Teri Castillo, Councilman John Courage, and Councilman Jalen McKee-Rodriguez

STAFF/VISITORS PRESENT:
Pedro Alanis- Executive Director San Antonio Housing Trust Foundation.; Susan Snowden- Financial 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; Mirla Lopez- SEFLA Languages Interpreter.

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

2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES FOR JUNE 16, 2023.**
   Councilwoman Phyllis Viagran motioned, and Jane Paccione seconded for approval of the June 16, 2023 minutes.
   AYES: 4
   NAYS:
   ABSTAINED:
   THE MOTION PASSED.

3. **CITIZENS TO BE HEARD**

   NONE. NO ACTION WAS TAKEN.

4. **BRIEFING, DISCUSSION AND POSSIBLE ACTION TO APPROVE A RESOLUTION APPROVING A BUDGET AMENDMENT FOR THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION FISCAL YEAR 2023 RELATED TO A NET INCREASE IN BUDGETED REVENUES AND OPERATING EXPENSES.**
   Pete Alanis briefed the board on the proposed resolution to approve a 9+3 Budget Amendment for the San Antonio Housing Trust Finance Corporation. The amendment will accurately reflect the adjustments needed for a net increase in revenues due to interest income being

substantially higher than expected, resulting in a required budget increase in the amount of $62.8k. Operating expenses are amended to reflect adjustments in the cost allocation of accounting and audit services attributed to the FC of $28.9k. By the end of FY 2023, the budget amendment will increase our net position by $33.8k from $91k to 125k. The Finance & Audit Committee recommends approving a resolution to amend the FY 2023 Finance Corporation budget.

MINUTES COMMISSION ACTION:
Councilwoman Phyllis Viagran motioned, and Jordan Ghawi to approve Item #4.
AYES: 4
NAYS:
ABSTAINED:
THE MOTION PASSED.

5. ADJOURNMENT

President Adriana Rocha Garcia adjourned the meeting. There being no further business, the meeting was adjourned at 3:37 p.m.

San Antonio Housing Trust Finance 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 Finance Corporation
Agenda Item 4

Consideration and possible action to approve the San Antonio Housing Trust Finance Corporation FY 2024 Proposed Budget and authorize the expenditures contained therein.

On August 18, 2023, staff presented the *preliminary* Finance Corporation budget. There was no change to the Finance Corporation Budget.

Operating Revenues
The San Antonio Housing Trust Finance Corporation earns revenues through annual issuer fees derived from projects with outstanding bonds. The current revenue estimate of $135k is slightly increased year over year by $11,400.

Operating Expenses
The operating expense budget proposes a $11,505 increase in operational expenses primarily due to allocation of costs associated with accounting and asset management related services, as well as a slight uptick in revenue to the Foundation.

Non-Operating Expenses
The non-operating income interest revenues were reduced slightly by $11k due to conservative interest rate projections.

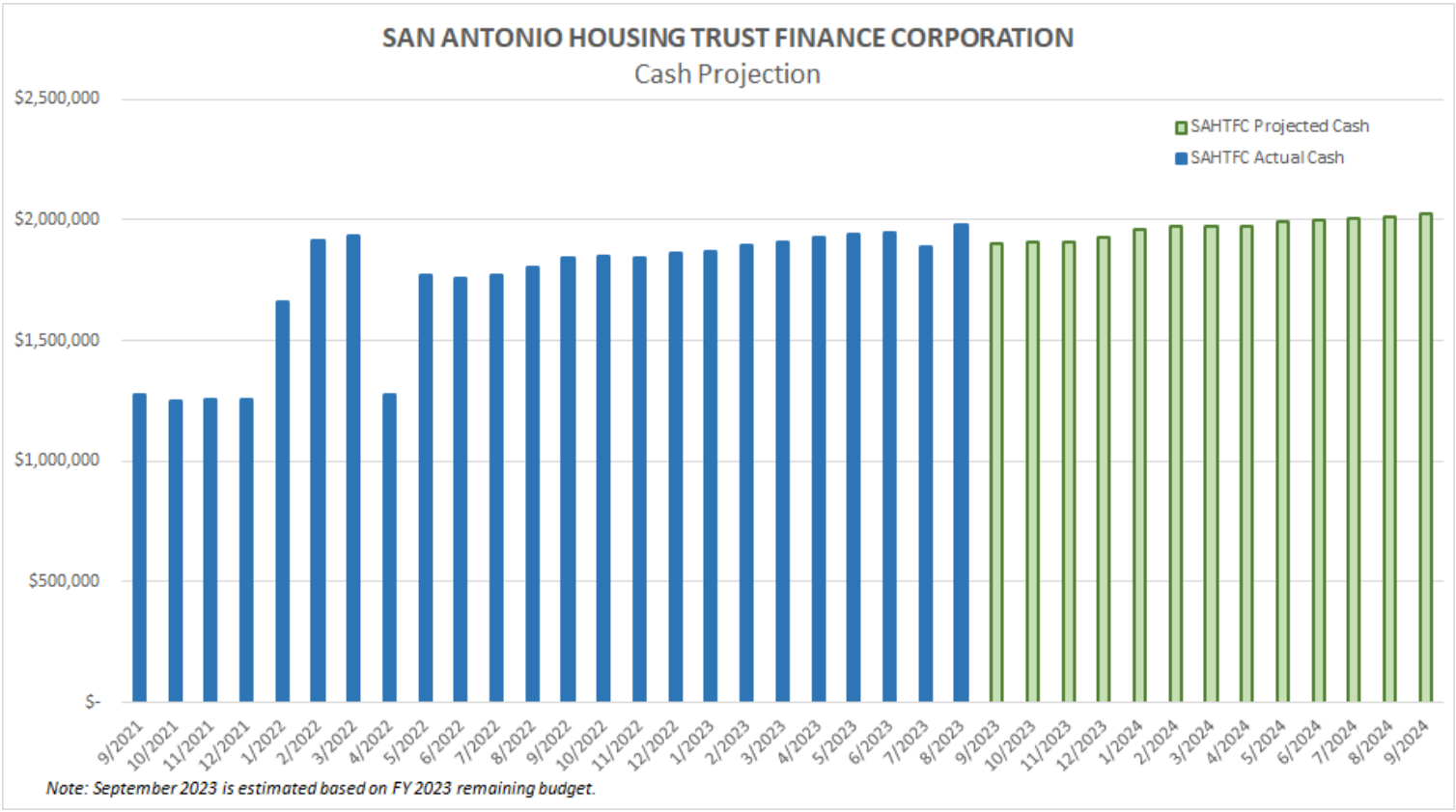
Recommendation:
The Finance Committee met on September 18, 2023 to consider the proposed FY 2024 FC Budget and voted to move this item forward to the Finance Corporation board for consideration.

Attachment:
FY 2024 Proposed Finance Corporation Budget and cash flow.
Resolution

SAN ANTONIO HOUSING TRUST

SAN ANTONIO HOUSING TRUST FINANCE CORP
FY 2024 Proposed Budget

	FY 2023 Budget	FY 2024 Proposed Budget	Change
OPERATING REVENUES			
Fee Income			
Annual Issuer Fee	$ 123,640	$ 135,040	$ 11,400
Total Fee Income	123,640	135,040	11,400
TOTAL OPERATING REVENUES	**$ 123,640**	**$ 135,040**	**$ 11,400**
OPERATING EXPENSES			
Administrative Fees	30,910	33,760	2,850
Professional Services			
Accounting & CFO Services	13,080	14,400	1,320
Asset Management Services	15,000	23,185	8,185
Audit Services	11,000	11,550	550
Compliance Monitoring Services	3,600	2,200	(1,400)
Other Professional Services	100	100	-
Total Professional Services	42,780	51,435	8,655
Subscriptions - Software Licenses	800	1,000	
TOTAL OPERATING EXPENSES	**$ 74,490**	**$ 86,195**	**$ 11,505**
OPERATING INCOME (LOSS)	**$ 49,150**	**$ 48,845**	**$ (105)**
NONOPERATING REVENUES (EXPENSES)			
Interest Income - Banks	76,000	75,000	(1,000)
TOTAL NONOPERATING REVENUES (EXPENSES)	**76,000**	**75,000**	**$ (1,000)**
INCREASE (DECREASE) IN NET POSITION	**$ 125,150**	**$ 123,845**	**$ (1,105)**



Note: September 2023 is estimated based on FY 2023 remaining budget.

San Antonio Housing Trust Finance Corporation
Agenda Item 5

Briefing, discussion and possible action regarding a resolution concerning the application of the Arbors at West Avenue LP relating to the proposed financing of up to $4,000,000 of the costs of the acquisition, construction, and equipping of the Arbors at West Avenue Apartments and other matters in connection therewith.

Background

The Arbors at West Avenue apartments is owned and operated by Prospera Housing Community Services, a local non-profit in partnership with the PFC. On September 3, 2020, The San Antonio Housing Finance Corporation provided an inducement resolution for the issuance of $25,000,000 in private activity bonds to help finance the construction of 84 new multifamily units and rehabilitate 150 existing multifamily units on the site.

On September 7, 2021, the SAHTFC board approved a resolution to close the transaction and enter the partnership, issue a ground lease, and execute all documents required to consummate the transaction.

The renovations experienced delays and additional costs of $4,142,332 associated with hidden defects that were not visible until the renovation work commenced. Prospera was able to secure the necessary funds to fill the gap. However, they require additional bonds to comply with the "50% test", which requires the project have enough bonds issued to cover 50% of eligible project expenses. Prospera needs to secure an additional bond allocation of up to $4,000,000 to meet the requirement.

The Texas Bond Review Board is aware of similar situations where projects may not meet the 50% test due to cost overruns and additional costs due to higher-than-expected interest rates on constructions loans. They are giving such projects a priority status if they apply for additional bond funds during the upcoming 2024 bond lottery. However, applications for the additional bond allocation must be submitted before October 20, 2023.

Recommendation:

It is recommended that the SAHTFC board approve a new inducement resolution in the amount of up to $4,000,000.

Attachment:

Resolution

Arbors at West Avenue Apartments

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Trust Finance Corporation (the "Issuer") hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the "Board") held a meeting on September 29, 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 CONCERNING THE APPLICATION OF THE ARBORS AT WEST AVENUE LP RELATING TO THE PROPOSED FINANCING OF UP TO $4,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ARBORS AT WEST AVENUE APARTMENTS 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 Articles of Incorporation and the Bylaws of the Issuer.

SIGNED September 29, 2023.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION CONCERNING THE APPLICATION OF THE ARBORS AT WEST AVENUE LP RELATING TO THE PROPOSED FINANCING OF UP TO $4,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE ARBORS AT WEST AVENUE APARTMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of San Antonio, Texas (the "City"), has, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), approved and created the San Antonio Housing Trust Finance Corporation, a nonstock, nonprofit housing finance corporation (the "Issuer");

WHEREAS, the Issuer, on behalf of the City, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City by the issuance of housing revenue bonds;

WHEREAS, as of February 1, 2022, the Issuer issued its $25,000,000 Multifamily Housing Revenue Bonds (The Arbors at West Avenue Apartments) Series 2022 to finance the acquisition, rehabilitation, construction and equipping by The Arbors at West Avenue LP (the "User") of a proposed 234-unit multifamily housing facility to be located at 3747 West Avenue and to be known as the Arbors at West Avenue Apartments (the "Project");

WHEREAS, in order to maintain compliance with Section 1372.0321(e) of the Texas Government Code and Section 42(h)(4)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), the User requires that the Issuer issue additional housing revenue bonds pursuant to the Act (the "Bonds");

WHEREAS, The User has filed an application for financing (the "Application"), requesting that (i) the Issuer provide additional financing for the acquisition, construction, and equipping of the Project; and (ii) the Issuer file and/or refile a 2024 and/or 2025 Allocation Application (defined hereafter) and/or any carryforward applications to the Texas Bond Review Board as described herein;

WHEREAS, the User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the acquisition, construction, equipping, and improvement of the Project would be a commitment and agreement by the Board of Directors (the "Board") of the Issuer to issue the Bonds to finance and pay any Development Costs, as defined in the Act, for the Project;

WHEREAS, in view of rising construction costs and the necessity of compliance with administrative regulations, it is considered essential that acquisition, construction, equipping, and improvement of the Project be completed at the earliest practicable date after satisfactory preliminary assurances from the Issuer that the proceeds of the sale of the Bonds, or other obligations, of the Issuer in an amount necessary to pay the Development Costs of the Project, will be made available to finance the Project;

WHEREAS, this Resolution shall constitute the Issuer's commitment, subject to the terms hereof, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User now contemplated not to exceed $4,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any;

WHEREAS, the Bonds are "private activity bonds" as that term is defined in Subchapter A, Section 1372.001 of Chapter 1372, Texas Government Code, as amended, including the rules promulgated pursuant thereto in 34 Texas Administrative Code, Sections 190.1 through 190.8 (together, the "Allocation Act"), and various provisions of the Code;

WHEREAS, the Code requires that the applicable elected official of the City approve the issuance of the Bonds after a public hearing for which reasonable public notice shall have been given;

WHEREAS, the Issuer is authorized by the provisions of the Act to issue the Bonds;

WHEREAS, in order to issue the Bonds in the manner contemplated, the Issuer must seek an allocation of the State of Texas volume cap pertaining to private activity bonds in order to satisfy the provisions of the Code;

WHEREAS, in order to satisfy, in part, the provisions of the Allocation Act, the Issuer must submit an "Application for Allocation of Private Activity Bonds" (the "Allocation Application") to the Texas Bond Review Board and adopt this Resolution authorizing the filing or refiling of the Allocation Application;

WHEREAS, the Allocation Application and the Allocation Act require that the Issuer certify that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer;

WHEREAS, the User intends to make capital expenditures in connection with the acquisition, construction, equipping, and improvement of the Project (the "Expenditures") and expects to reimburse the Expenditures with proceeds of the Bonds;

WHEREAS, in order to allocate under Treasury Regulation §1.150-2 (the "Regulation") proceeds of the Bonds to the Expenditures, the Issuer must declare its reasonable expectation to reimburse the Expenditures;

WHEREAS, the San Antonio Housing Trust Public Facility Corporation is the sole member of the general partner of the User;

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain debt financing and tax credits on the Project; and

WHEREAS, 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 User may construct the Project; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION THAT:

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

(a) Subject to the negotiation of mutually acceptable agreements, issue the Bonds, in an amount not to exceed $4,000,000; cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums on, and paying agents' and trustee's fees and charges, if any, on the Bonds; payment of fees, charges, and expenses of the Issuer and the City (including legal and financial advisory expenses); acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Issuer, the City, and the User;

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

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

Section 2. The Bonds shall specifically provide that neither the State of Texas (the "State"), the City, nor any political issuer, subdivision, or agency of the State shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State, the City, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

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

(a) Prior to or contemporaneously with the sale of the Bonds in one or more

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

(b) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of the Bonds and (2) at all times from and after the issuance of the Bonds, indemnify and hold harmless the Issuer and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Issuer or the City) and prior to or contemporaneously with the sale of the Bonds will agree to provide indemnification on terms satisfactory to the Issuer; and

(c) no Bonds will be issued without the approval of the City Council.

Section 4. The User is hereby authorized to make all filings necessary to obtain and maintain tax credits on the Project.

Section 5. Except as expressly extended by the Issuer, it is understood by the Issuer and the User that all commitments of the Issuer with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than two years from the date of this Resolution.

Section 6. It is recognized and agreed by the Issuer that the User may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) itself in its own name; (ii) any "related person" as defined in section 144(a)(3) of the Code; (iii) any legal successor thereto; (iv) an entity in which any of the above is a general partner or sole member; or (v) or any entity approved by the Issuer, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references herein to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 7. This Resolution shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing the Project. The Allocation Application and this Resolution shall constitute an agreement between the Issuer and the User effective on the date that this Resolution is adopted. This Resolution is affirmative official action taken by the Issuer towards the issuance of the Bonds in order to comply with the requirements of the Code. Neither the User nor any other party is entitled to rely on this Resolution

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

Section 8. The Issuer hereby adopts this Resolution in order to satisfy the requirements of the Allocation Act pertaining to the issuance of the Bonds and authorizes any officer or designee of the Issuer to prepare and file and/or refile a 2024 and/or 2025 Allocation Application and/or any carryforward applications, together with all required attachments (including obtaining the Issuer's Certificate of Good Standing from the Comptroller of Public Accounts for the State of Texas) in the form required by the Texas Bond Review Board.

Section 9. The Issuer respectfully requests that the Allocation Application be accepted and approved by the Texas Bond Review Board.

Section 10. Any officer of the Issuer (or his designee) is hereby authorized to execute the Allocation Application, to pay (or cause the User to pay) the Application Fee of $5,000 for each Allocation Application (submitted to the Issuer by the User) to the Texas Bond Review Board and to submit any additional information or to make any necessary corrections or revisions requested by the Texas Bond Review Board in order to satisfy the requirements of the Allocation Act in connection with the Allocation Application.

Section 11. The Board certifies that the Bonds are not being issued for the same stated purpose for which the Issuer has received sufficient carryforward during a prior year or for which there exists unexpended proceeds from a prior issue or issues of bonds issued by the Issuer.

Section 12. In connection with the issuance of the Bonds, the Board hereby authorizes its bond counsel to arrange for the publication of a notice of public hearing in the City of San Antonio, Texas regarding the Bonds for the purpose of complying with section 147(f) of the Code. The form of notice of such hearing and the date, place, and manner of its publication shall be acceptable to the Corporation's bond counsel. The hearing shall be held by the Corporation's bond counsel.

Section 13. Based upon representations from the User, the Issuer reasonably expects to reimburse the Expenditures with proceeds of the Bonds in a principal amount that will not exceed $4,000,000. This Resolution shall constitute a declaration of official intent under the Treasury Regulation Section 1.150-2.

Section 14. The Board authorizes the President, Vice President, Secretary, Treasurer, Assistant Secretary or Executive Director of the Board to execute any documents or certificates necessary to seek the approval of the Bonds by the Texas Attorney General.

Section 15. 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 16. 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 17. 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 hereby declares that this Resolution would have been enacted without such invalid provision.

Section 18. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 19. This Resolution shall be in force and effect from and after its passage.

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