AGENDA

A Regular Board Meeting for:

SAN ANTONIO HOUSING TRUST FINANCE 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/88070033634?pwd=SnRLdUR6MVhpNFp1TzlUUnhaZzhvQT09
DIAL-IN NUMBER: 1-346-248-7799 Meeting ID: 880 7003 3634
PASSWORD: 396957
On Friday January 17, 2025, beginning at 2:00 p.m. or immediately following the adjournment of the San Antonio Housing Trust Foundation 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 October 18, 2024.
3. Public Comment – Interested speakers will have 3 minutes each to address the Board on agenda items or housing policy related matters.
4. Briefing, discussion, and possible action regarding a resolution concerning the bond application of the Maya Apartments relating to the proposed private activity bond financing of up to $40,000,000 and resolution authorizing all filings and agreements with Texas Department of Housing and Community Affairs (TDHCA) for low-income housing tax credits; and authorizing the negotiation and execution of a memorandum of understanding.
5. Adjournment.

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), 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.*

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 accommodation or interpretative services must be made 48 hours prior to this meeting. Please contact Nicole Collazo, for concerns or requests, at (210) 735-2772.

Posted on: January 13, 2025, 5:00 PM

San Antonio Housing Trust Finance Corporation

Agenda Item 2

This item includes the approval of minutes from the **October 18, 2024** meeting.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION
OFFICIAL MEETING MINUTES

DATE: October 18, 2024

TIME AND PLACE: The Finance Corporation met in session at 3:43 p.m., via Zoom and in person at 114 W Commerce St, San Antonio, TX 78205.

PRESENT: Antoinette Brumfield, Mark Carmona, Eric Cooper, Councilmember Dr. Adriana Rocha Garcia, Jordan Ghawi, Rachell Hathaway, Councilmember Dr. Sukh Kaur, Councilmember Jalen McKee-Rodriguez, Marinella Murillo, Jane Paccione, and Councilmember Phyllis Viagran.

ABSENT: Councilmember Teri Castillo

STAFF/VISITORS PRESENT:
Nicole Collazo- Director of Operations San Antonio Housing Trust; Susan Snowden- Finance Director San Antonio Housing Trust; Tom Roth- Director of Development San Antonio Housing Trust; Seema Kairam- San Antonio Housing Trust; Frida Garcia- San Antonio Housing Trust; Jessica Kuehne- Director of Asset Management San Antonio Housing Trust; Gina Roach- San Antonio Housing Trust; John Hernandez- San Antonio Housing Trust; Clarissa Rodriguez- Denton Navarro Rocha Bernal & Zech, P.C.; Summer Greathouse- Bracewell; Joleen Garcia- District 2; Edward Mungia- District 4; Justin Renteria- District 5; Sabine Miramontes - SEFLA Languages Interpreter.

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

2. **DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES FOR SEPTEMBER 20, 2024.**
   Councilmember Viagran motioned, and Jane Paccione seconded for approval of the September 20, 2024, minutes.
   AYES: 6
   NAYS:
   ABSTAINED:
   THE MOTION PASSED.

3. **CITIZENS TO BE HEARD**

   NONE. NO ACTION WAS TAKEN.

4. **DISCUSSION AND POSSIBLE ACTION FOR ELECTION OF OFFICERS.**
   Eric Cooper nominates Councilmember Rocha Garcia as Board President, Jane Paccione as Board Vice President, Jordan Ghawi Board Secretary, and Councilmember Viagran as Treasurer.

   MINUTES COMMISSION ACTION:
   Councilmember Viagran motioned, and Jordan Ghawi seconded, approve appointing

Councilmember Adriana Rocha Garcia as Board President, Jane Paccione as Vice President, Jordan Ghawi as Board Secretary, and Councilmember Phyllis Viagran for Board Treasurer for the San Antonio Housing Trust Finance Corporation.

AYES: 6
NAYS:
ABSTAINED:
THE MOTION PASSED.

5. ADJOURNMENT

President Rocha Garcia adjourned the meeting. There being no further business, the meeting was adjourned at 3:44 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 Public Facility Corporation

Agenda Item 4

*Briefing, discussion, and possible action regarding a resolution concerning the bond application of **the Maya Apartments** relating to the proposed private activity bond financing of up to $40,000,000 and resolution authorizing all filings and agreements with Texas Department of Housing and Community Affairs (TDHCA) for low-income housing tax credits; and authorizing the negotiation and execution of a memorandum of understanding.*

Background

Clermont, LLC and American Agape Foundation, Inc. are seeking to a $40 million bond application to the Texas Bond Review Board and a partnership with the SAHT FC to acquire and rehabilitate an existing 252-unit apartment community, the Maya Apartments located at 1946 N Loop 4100 in City Council District 10. The project will include a 12-month, $8.7 million renovation of the property.

Property Information

As currently proposed, the development includes a mix one- and two-bedroom apartment homes for individuals earning up to 80% of AMI. Of the 252 total apartment homes, 39 units (15%) will be restricted for households earning up to 30% AMI, 54 units (21%) will be restricted for households earning up to 50% AMI, 87 units (35%) will be restricted for households earning up to 60%, and 72 units (29%) will be restricted for households earning up to 80%.

Unit Mix and Affordability					
	30%	50%	60%	80%	**Total**
1 BD	22	24	36	38	**120**
2 BD	17	30	51	34	**132**
Total	**39**	**54**	**87**	**72**	**252**

The unit mix will assist the city in meeting its SHIP goals and SAHT affordability preservation target and aligns with the SAHT 5-year strategic plan preservation goal. See the below targeted unit mix and bedroom sizes with AMI allocations. The development consists of 11 residential buildings, and two common laundry rooms. The property, originally built in 1975, was internally renovated in 2016 and externally renovated in 2022. The community features a resort-style pool, poolside pavilion, private mail center, coffee bar, community area wi-fi, outdoor entertainment centers with BBQ grill, car ports, dog park, children's playground, community laundry rooms, gated access, and a volleyball court.

The scope of work being done on the property includes:

- HVAC replacement
- Roof repairs
- Update of units and appliances
- Pool repairs
- Landscaping work
- Cure deferred maintenance issues

Currently, the Maya Apartments was at 50% occupied due to major deferred maintenance and negligence from the former owner. The property has been foreclosed on and the developer is acquiring it from the lender. To avoid displacement of current residents, the vacant units will be renovated first, and residents will be relocated thereafter to renovate the remaining units.

Development Team

David Starr is the principal of Clermont, LLC., specializing in the finance of workforce housing properties. He has been an innovator in multifamily affordable housing tax credit and tax-exempt development financing for over 30 years, with projects in Alabama, Arkansas, Florida, Illinois, Kansas, Louisiana, Mississippi, Pennsylvania, Tennessee, and Texas. Clermont, LLC has been a leader in the use of tax-exempt bond financing, with over one billion dollars funded in transactions. David Starr is also the principal of the American Agape Foundation, Inc. which is a 501(c)3 non-profit corporation, organized and operated as a charitable non-profit corporation dedicated to providing decent, safe, and affordable housing. Mr. Starr has developed the institutional resources that provide subordinate bonds in tax-exempt debt structures. This innovation allowed non-profit organizations to obtain 100% financing and allowed private developers to structure rated bond scenarios. The developer has selected Foresight Asset Management as the third-party property management company. Habitat Construction Services will be the general contractor for the project.

Site Information

The property is a garden style community in City Council District 10 along NE Interstate 410 Loop, sitting on 8.44 acres of land. The Maya Apartments is zoned MF-33 and will not require a zoning change. The site is supported by frequent Via Transit along the #509 Route. The site has good access to Loop 410 and a short distance from the SanAntonio International Airport, Salado Creek Trails, and various entertainment centers. It is serviced by NEISD school district, with the closest schools being Northwood Elementary School, Garner Middle School, and Churchill High School.

Financial Considerations:

Sources	**Financing**
HUD Insured Loan- 223F Program	$26,925,000
LIHTC Equity	12,285,875
Deferred Developer Fee	2,715,871
Capital Fund Group	1,812,617
Total Sources	**$43,739,363**
Uses	Financing
Property Acquisition	$26,246,860
Hard Costs	8,716,284
Developer Fee	5,100,000
Financing Costs	2,638,819
Soft Costs	404,500
Reserves	632,900
Total Uses	**$43,739,363**

SAHT anticipates receiving the following:

- 10% of developer fees and deferred fees
- 25% of cash flows after deferred fees are paid
- 50% of capital event proceeds
- 1% bond issuance fee at closing (estimated at $400,000)
- $30 per unit annual bond fee
- $10,000 annual asset management fee
- TEAM fund equivalent to $1,500 per affordable unit (estimated at $270,000)
- Ready to Work SA

Recommendation:

The original action for Bond Inducement was approved by the PFC. However, staff is recommending approval of $40M Bond Inducement in the San Antonio Housing Trust Finance Corporation to expedite the bond reservation.

Attachments: Resolution

MAYA 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 January 17, 2025 (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 AN AFFILIATE OF AMERICAN AGAPE FOUNDATION, INC., RELATING TO THE PROPOSED FINANCING OF UP TO $40,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, REHABILITATION, EQUIPPING AND IMPROVEMENT OF THE MAYA 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 January 17, 2025.

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Pedro A. Alanis, Assistant Secretary

RESOLUTION CONCERNING THE APPLICATION OF AN AFFILIATE OF AMERICAN AGAPE FOUNDATION, INC., RELATING TO THE PROPOSED FINANCING OF UP TO $40,000,000 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, REHABILITATION, EQUIPPING AND IMPROVEMENT OF THE MAYA 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, a to-be-formed affiliate of American Agape Foundation, Inc. (the "User"), has filed an Application for financing (the "Application"), requesting that (i) the Issuer finance the acquisition, construction, rehabilitation, and equipping of a proposed approximately 252-unit multifamily housing facility to be located at 1946 NE Interstate 410 Loop, San Antonio, Texas, and known as the Maya Apartments (the "Project"); and (ii) the Issuer file and/or refile a 2025 and/or 2026 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, rehabilitation, equipping and improvement of the Project would be a commitment and agreement by the Board of Directors (the "Board") of the Issuer to issue housing revenue bonds pursuant to the Act (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, rehabilitation, 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 $40,000,000 and to expend the proceeds thereof to pay Development Costs including costs of acquisition, construction, rehabilitation, 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 Internal Revenue Code of 1986, as amended (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" or an "Application for Carryforward for Private Activity Bonds" (together, 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, rehabilitation, 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 User has requested that the San Antonio Housing Trust Public Facility Corporation acquire the membership interest in 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 $40,000,000;

(b) cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, 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, rehabilitation, 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;

(c) if the proceeds from the sale of the Bonds are insufficient to complete the acquisition, construction, rehabilitation, 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, rehabilitation, equipping and improvement of the Project, as requested by the User and within then applicable limitations; and

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

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 2025 and/or 2026 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 $40,000,000. 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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