

**RESOLUTION NO. 23-01**

**RESOLUTION BY THE HARRIS COUNTY HOUSING AUTHORITY  
PUBLIC FACILITY CORPORATION (THE “ISSUER”) FOR  
INDUCEMENT OF BONDS TO BE ISSUED TO FINANCE THE  
NORTHWOOD APARTMENTS PROJECT**

**WHEREAS**, the Board of Commissioners of the Harris County Housing Authority (the “Unit”) has, pursuant to the Public Facility Corporation Act, Chapter 303, Texas Government Code, as amended (the “Act”), approved and created Harris County Housing Authority Public Facility Corporation, a nonprofit public facility corporation (the “Issuer”); and

**WHEREAS**, the Issuer, on behalf of the Unit is empowered to issue bonds to finance, refinance, or provide one or more public facilities, as such term is defined in the Act, which projects will be within or partially within the Unit’s boundaries, including Harris County, Texas; and

**WHEREAS**, LDG Northwood, LP, a Texas limited partnership (the “User”), has requested that the Issuer finance a low income multi-family housing project named Northwood Apartments consisting of approximately 288 units to be located off of the Eastex Freeway (I-69) between Hammill Road and Pine Park Drive, Houston, Texas 77039 (the “Project”) within the boundaries of the Unit in Harris County, Texas, and further that the Issuer adopt this Resolution with respect to the acquisition, construction, and installation of the Project; and

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

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

**WHEREAS**, the Issuer finds, intends, and declares that this Resolution shall constitute its official binding commitment, subject to the conditions set forth herein, to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed the maximum supplemental principal amount of up to \$6,000,000 and to expend the proceeds thereof to acquire, construct, and install the Project and to pay all expenses and costs of the Issuer in connection with the issuance of the Bonds; and

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

**NOW, THEREFORE, BE IT RESOLVED**, BY THE BOARD OF DIRECTORS OF THE HARRIS COUNTY HOUSING AUTHORITY PUBLIC FACILITY CORPORATION THAT the following actions of the Issuer are hereby ratified and approved:

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

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

(b) Cooperate with the User with respect to the issuance of the Bonds, and, if arrangements therefor satisfactory to the User and the Issuer can be made, the Issuer will take such action and authorize the execution of such documents and will take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary or desirable by the User or the Issuer in connection with the issuance of the Bonds (collectively, the "Contracts"), providing among other things for payment of the principal of, interest on, redemption premiums, paying agents' charges, and Trustee's fees, if any, on the Bonds; payment of fees and charges of the Issuer or the Unit; acquisition, construction, and improvement of the Project; and use, operation, and maintenance of the Project (and the execution of any appropriate and necessary guaranty agreements), all as shall be authorized, required, or permitted by law and as shall be mutually satisfactory to the Issuer, the Unit, and the User.

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

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

The Bonds shall specifically provide that neither the State of Texas, the Unit, nor any political issuer, subdivision, or agency of the State of Texas shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the State of

Texas, the Unit, or any political issuer, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

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

- (i) evidence that the Project will not be operated for profit or as a source of revenue to the Issuer or User;
- (ii) the receipt of a ruling from the Internal Revenue Service or an opinion from nationally recognized bond counsel, substantially to the effect that the interest on the Bonds is excludable from gross income tax purposes under existing law;
- (iii) Approval of the Bonds by all other governmental agencies required to approve the Bonds including, but not limited to, approval of the Bonds by the Attorney General of the State of Texas and any other applicable governmental authority; and
- (iv) any other conditions reasonably imposed by the Issuer.

Section 2. The Issuer hereby authorizes the submission of an application to the TBRB for a reservation of the state ceiling for “private activity bonds” for program year 2023 and each subsequent calendar year at the User’s request to finance the Project. Any officer of the Board of Directors is hereby authorized to execute and submit an application to the TBRB in such form as may be approved by the TBRB for such purpose.

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

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

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

to the issuance, offering, sale, or delivery of the Bonds, or the design, construction, installation, operation, use, occupancy, maintenance, or ownership of the Project.

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

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

Section 5. It is understood by the Issuer that all commitments of the Issuer and the User with respect to the Project and the Bonds are subject to the condition that the Bonds shall have been issued no later than three years from the date of this Resolution, or such other date as shall be mutually satisfactory to the Issuer and the User.

Section 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 of its wholly-owned subsidiaries; (iii) any "related person" as defined in Section 144(a)(3) of the Code; or (iv) any legal successor thereto, respectively, subject to approval of the Issuer's bond counsel and, provided that suitable guaranties necessary or convenient for the marketability of the Bonds shall be furnished, if required by the Issuer, and all references to the User shall be deemed to include the User acting directly through itself or any such approved entities.

Section 7. The adoption of this Resolution, as requested by the User, shall be deemed to constitute the acceptance of the User's proposal that it be further induced to proceed with providing financing for the Project, and this Resolution shall constitute an agreement between the Authority (on behalf of the Issuer) and the User effective on the date that this Resolution is adopted, and this Resolution is affirmative of official action taken by the Issuer towards the issuance of the Bonds.

**PASSED**, by the Board of Directors, this 11th day of January 2023.



CHAIR of Harris County Housing  
Authority Public Facility Corporation

ATTEST:



Secretary of Harris County Housing  
Authority Public Facility Corporation

**RESOLUTION NO. 23-02**

**RESOLUTION BY HARRIS COUNTY HOUSING AUTHORITY  
PUBLIC FACILITY CORPORATION APPROVING AND  
RATIFYING ACTIONS IN CONNECTION WITH THE PERMANENT  
LOAN FINANCING FOR THE ARBOR AT WAYFOREST PROJECT  
IN CONJUNCTION WITH HARRIS COUNTY HOUSING  
AUTHORITY PUBLIC FACILITY CORPORATION MULTIFAMILY  
GOVERNMENTAL NOTE (ARBOR AT WAYFOREST) SERIES  
2020A, AND SUCH OTHER ACTIONS NECESSARY OR  
CONVENIENT TO CARRY OUT THIS RESOLUTION**

**WHEREAS**, Harris County Housing Authority Public Facility Corporation (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended, for the purpose of assisting the Harris County Housing Authority (the “Authority”) in financing, refinancing or providing public facilities; and

**WHEREAS**, the Issuer has delivered its \$20,000,000 Harris County Housing Authority Public Facility Corporation Multifamily Governmental Note (Arbor at Wayforest) Series 2020A (the “Governmental Lender Note”) pursuant to and in accordance with the terms of a Funding Loan Agreement among the Issuer, Wilmington Trust, National Association, as fiscal agent, and Bank of America, N.A., a national banking association, for the purpose of lending the proceeds thereof to The Arbor at Wayforest, L.P., a Texas limited partnership (the “Partnership”), to provide financing for the acquisition, construction, and equipping of a certain multifamily complex known as The Arbor at Wayforest (the “Project”), all in accordance with the Constitution and laws of the State of Texas, in the tax-exempt amount of \$20,000,000 (collectively the “Construction Loan”) from Bank of America, N.A.; and

**WHEREAS**, the Partnership desires to facilitate the purchase of the Governmental Lender Note in a principal amount equal to \$14,000,000 by Citibank, N.A., a national banking association (the “Lender”) from Bank of American, N.A., for the permanent loan financing of the Project (the “Permanent Loan”); and

**WHEREAS**, in connection with the contemplated Permanent Loan transaction, the Issuer shall enter into various documents which will evidence the Permanent Loan, as well as documentation relating to the Governmental Lender Note and the Construction Loan, including, but not limited to, an Amended and Restated Funding Loan Agreement, an Amended and Restated Borrower Loan Agreement, and any related document related to the Permanent Loan or related to the conversion of the Construction Loan, including assignments, commitment letters, affidavits, financing statements, certifications, consents, indemnifications, authorizing resolutions, and

various other loan documentation as may be required by the Lender in connection with the Permanent Loan and the conversion of the Construction Loan (collectively, all of such loan and security documents are hereinafter referred to as the "Loan Documents").

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors, that the Issuer, in connection with the transactions contemplated by these Resolutions, is authorized and directed to enter into, as necessary, each of the Loan Documents; and

**BE IT FURTHER RESOLVED**, that that Melissa Quijano ("Executing Officer"), the Secretary of the Issuer, individually and without the joinder of any other person, is authorized and directed, for and on behalf of the Issuer, (a) to negotiate the terms of the Permanent Loan and of the conversion of the Construction Loan, (b) to execute, and/or to enter into, as necessary, each of Loan Documents, and (c) to take such other and further actions and to execute and to enter into such Loan Documents and such contracts, agreements, instruments, and amendments thereof in such form and such provisions as may be deemed appropriate in order to deal with the financing of the Project; and

**BE IT FURTHER RESOLVED**, that the form, terms, and provisions of the Loan Documents and such other documents as contemplated thereby are hereby in each and every respect authorized, approved, ratified, and confirmed; and

**BE IT FURTHER RESOLVED**, that the authorization of the Issuer to enter into the Loan Documents and that execution and delivery thereof, in the name and on behalf of the Issuer, in the form as so executed and delivered, is hereby authorized, approved, ratified, and confirmed; and

**BE IT FURTHER RESOLVED**, that the execution and delivery by the Executing Officer of any of the aforesaid agreements, documents, and instruments authorized in the foregoing Resolutions and the taking by the Executing Officer of any acts in any way related to the transactions contemplated by the foregoing Resolutions and such agreements, documents, and instruments, shall be conclusive evidence of her approval thereof and of her authority to execute and deliver such agreements, documents, and instruments and to take and perform such acts in the name and on behalf of the Issuer; and

**BE IT FURTHER RESOLVED**, that the Executing Officer is hereby authorized and directed for and on behalf of, and as the act and deed of the Issuer, to execute all of the Loan Documents and any other documents and agreements executed in connection with the transactions contemplated hereby; and

**BE IT FURTHER RESOLVED**, that the Executing Officer is authorized (i) to negotiate definitive terms (not inconsistent with the terms described above) of the Loan Documents, and (ii) to take such other actions for the Issuer, as the Executing Officer considers appropriate toward completion of the transactions contemplated by these Resolutions or performance of the


obligations of the Issuer, under the Loan Documents and any other documents and agreements executed in connection with the transactions contemplated hereby; and

**BE IT FURTHER RESOLVED**, that to the extent any of the actions authorized by these Resolutions have already been taken, such actions are hereby ratified and confirmed as the valid actions of the Issuer, effective as of the date such actions were taken; and

**BE IT FURTHER RESOLVED**, that the Issuer is authorized to take such other actions as the Issuer or the Authority shall consider necessary, convenient, or appropriate toward completion of the transactions contemplated by these Resolutions;

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**PASSED**, by the Board of Directors this 19th day of day of April, 2023.

President: 

Secretary: 

**RESOLUTION NO. 23-03**

**RESOLUTION OF HARRIS COUNTY HOUSING AUTHORITY PUBLIC FACILITY CORPORATION ON ITS OWN BEHALF, AUTHORIZING THE SETTLEMENT OF CAUSE NO. 2017-71486, HUSSION STREET BUILDINGS LLC PLAINTIFF, V. HARRIS COUNTY HOUSING AUTHORITY PUBLIC FACILITY CORPORATION, ET AL.**

**WHEREAS**, the Harris County Housing Authority desired to issue tax-exempt debt to finance the development of affordable housing in Harris County, Texas; and

**WHEREAS**, the Harris County Housing Authority (HCHA) determined that the best way to achieve such goal was to create a non-profit, public facility corporation as an instrumentality of the Authority; and

**WHEREAS**, the Harris County Housing Authority Public Facility Corporation (the "Corporation") was created pursuant to the provisions of the Texas Public Facility Corporation Act, as amended, Texas Local Government Code, Chapter 303 (the "Act"), by HCHA through unanimous resolution on September 15, 2004; and

**WHEREAS**, Fenix Estates I, LP, a Texas limited partnership in its capacity of Residential Borrower ("Residential Borrower") and Fenix Estates Commercial, LLC, a Texas limited liability company in its capacity as Commercial Borrower ("Commercial Borrower"), jointly and severally, and acting collectively as the *Borrower* of funds for the Fenix Estate Housing Project, executed a certain Multifamily Note in favor of Harris County Housing Authority Public Facility Corporation ("Governmental Lender") on May 19, 2017, as amended for the purpose of financing the construction of the multifamily apartment affordable housing project: and

**WHEREAS**, HCHA Public Facility Corporation is a named defendant in Cause No. 2017-71486, Hussion Street Buildings LLC, v. Harris County Housing Authority Public Facility Corporation, et al.; and

**WHEREAS**, Hussion Street Buildings, LLC owns real property and improvements located at 1901 Hussion Street, Houston, Harris County Texas (Plaintiffs or Hussion); and

**WHEREAS**, in September 2015, HCHA through its Development Partner (Fenix Estates) purchased a land site behind Hussion's property for the purpose of building an affordable housing project; and

**WHEREAS**, in May 2017, following the closing of the loan Fenix contracted with Qualified Construction Inc., (Qualified) to provide General Contracting Services; and

**WHEREAS**, in October 2017, Hussion sent a demand notice to Qualified and HCHA-RA alleging that during construction its sewer line was cut; and

**WHEREAS**, on October 23, 2017, Hussion filed suit against Harris County Housing Authority Public Facility Corporation (Public), Harris County Housing Authority Redevelopment Authority, Inc., (HCHA-RA), and Qualified Construction, Inc., (Qualified) alleging damages via five different legal theories of recovery including Inverse Condemnation; and

**WHEREAS**, in February 2018, HCHA granted a five-foot sanitary Sewer Easement to Hussion on HCHA's property for the sole purpose of constructing a new sewer line at HCHA'S cost to replace the damaged line; and

**WHEREAS**, in May 2018, HCHA notified Hussion of the completion of the new sewer line and that Hussion could connect the sewer line at will utilizing the Easement granted by HCHA; and

**WHEREAS**, in September 2018, Hussion filed a third Amended Petition adding Fenix; Estates 1 GP LLC and Fenix Estates Commercial, LLC among others; and

**WHEREAS**, on October 24, 2018, HCHA filed an intervention in the Hussion suit to condemn the property; and

**WHEREAS**, in June 2019, the additional drainage work between 1901 Hussion and Fenix's property along Coyle Street is completed; and

**WHEREAS**, Hussion added HCHA as a Defendant to the lawsuit on November 6, 2019; and

**WHEREAS**, HCHA dismissed its condemnation suit against Hussion on June 10, 2021; and

**WHEREAS**, the Court ordered the parties to mediation on October 18, 2021; and

**WHEREAS**, the parties attended mediation in July 2023 with a private mediator, and reached consensus on most material disputes save and except the mechanism to determine the viability of being able to connect the new 2017 line to Hussion's sewer line at its exit point, thus no written agreement was entered into between the parties; and

**WHEREAS**, the parties after mediation continued to negotiate a settlement of the suit and after addressing both parties concerns relative to the feasibility of connecting the new sewer line that was constructed by HCHA in 2017 to Hussion's sewer line at its exits point, as earlier determined by HCHA's plumbers the parties reached agreement on all terms of settlement; and

**WHEREAS**, it is the parties' intent through this Resolution to settle the above numbered cause by mutual agreement and hereby request approval of such Settlement.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of HCHA Public Facility Corporation that:

1. Melissa Quijano, as Vice President and Secretary of HCHA Public Facility Corporation., is authorized to act on behalf of HCHA Public Facility Corporation., to

negotiate to finality and execute an Agreement of Settlement and Mutual Release of Claims with Hussion Street Buildings LLC, ( Plaintiff) regarding the settlement of a legal dispute between Plaintiff and HCHA Public Facility Corporation., under the terms presented to the Board of Directors of HCHA Public Facility Corporation., in Executive Session;

2. Melissa Quijano is further authorized to perform all acts necessary and appropriate to carry out the purposes of this resolution.

**PASSED** by the Board of Directors this 15th day of November 2023.

President: 

Gerald Womack

Secretary: 

Melissa Quijano