

MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS  
WEST VIRGINIA HOUSING DEVELOPMENT FUND  
May 24, 2018

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Thursday, May 24, 2018, at the office of the West Virginia Housing Development Fund, 5710 MacCorkle Avenue, SE, Charleston, West Virginia. The Chairman called the meeting to order at 9:00 a.m. with the following members present throughout, except where noted:

Ann Urling, Chairman  
Norman Bailey, Representative for the Honorable Kent Leonhardt,  
Commissioner of Agriculture  
John Gianola, Member  
Sam Kapourales, Member (via phone)  
Bob Nistendirk, Member  
Mary Skeens, Member  
Josh Stowers, Representative for the Honorable John Perdue, Treasurer  
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General

Members Absent:

David Gardner, Member

Staff present:

Erica Boggess, Executive Director  
Josh Brown, Senior Manager - Asset Management  
Julie Davis, Deputy Director – Production  
George Gannon, Communications Administrator  
Chad Leport, Division Manager - Accounting and Finance  
Martha Lilly, Legal Assistant  
Jill Martin, Executive Assistant  
Jon Rogers, Senior Division Manager - Single Family Lending  
Kristin Shaffer, Senior Legal Counsel  
Nathan Testman, Division Manager – Multifamily Lending  
Crystal Toney, Deputy Director – Administration  
Dorothy White, Federal Compliance Officer

Others Present:

Samme Gee, Jackson Kelly PLLC

APPROVAL OF THE MINUTES OF THE APRIL 26, 2018  
MEETING

Member John Gianola moved the approval of the minutes of the April 26, 2018 meeting. His motion was seconded by Representative Josh Stowers, and, upon the affirmative vote of the eight (8) members present, the Chairman declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
APRIL 30, 2018

Mr. Chad Leport reviewed the financial statements for the period ended April 30, 2018. The financials were accepted as presented.

CONSIDERATION OF PLAN OF FINANCE  
AUTHORIZING THE ISSUANCE OF NEW MONEY  
BONDS FOR THE HOUSING DEVELOPMENT FUND'S  
SINGLE FAMILY MORTGAGE LOAN PROGRAM

Ms. Julie Davis presented a Plan of Finance and the Fiftieth Supplemental Resolution authorizing the issuance of one or more series of New Money Bonds not to exceed a maximum aggregate principal amount of \$50,000,000. Ms. Davis stated the Bonds may be issued in multiple series prior to December 31, 2018.

Ms. Davis stated the objective of the Plan of Finance is to fund the Fund's single family bond program, and that the Plan of Finance allows the Bonds to be issued as either tax-exempt or taxable. Ms. Davis stated that a negotiated sale will probably be used and Raymond James will serve as the underwriter. Raymond James was the underwriter on the 2017 bond transaction and on other previous transactions. Ms. Davis stated that staff will seek the Governor's approval and certification of each bond issuance proposal.

Ms. Davis stated staff is requesting the Board's approval of the Plan of Finance, the Fiftieth Supplemental Resolution, and the Form of the Official Statement as presented to the Board.

Representative Stowers moved to approve the Plan of Finance, the Fiftieth Supplement Resolution and the Form of the Official Statement as presented. His motion was seconded by

Member Gianola, and, upon the affirmative vote of eight (8) members present, the Chairman declared the motion adopted.

A copy of the Plan of Finance, the Fiftieth Housing Finance Supplemental Resolution, and the form of the official statements are attached as Exhibit A.

APPROVAL TO EXECUTE HOMELESS INITIATIVE  
AGREEMENT AND APPROVE MATCH

Ms. Erica Boggess informed the Board that at the December 2017 Board Meeting, staff requested authorization to pursue an agreement with the Federal Home Loan Bank of Pittsburgh (FHLB), relating to a new program called Home4Good which will assist those who are at risk of being homeless or who are homeless. The FHLB allocated \$5 million among its district, which includes West Virginia, Pennsylvania and Delaware. Ms. Boggess stated that FHLB allocated \$1.1 million to West Virginia for the first year. Home4Good will fund programs relating to homelessness, eviction prevention, rapid rehousing, and emergency shelters to help keep people from becoming homeless. The FHLB has asked housing finance agencies to provide matching funds, but it is not a requirement.

Ms. Boggess also explained that funds will be awarded to projects through a RFP and that the Housing Development Fund, FHLB, and Continuum of Care organizations will be involved in the review of applications, and that the Housing Development Fund and the FHLB will make final award decisions. Ms. Boggess also stated that any funds contributed by the Housing Development Fund to the Home4Good Program would only be awarded to activities that the Housing Development Fund is authorized to fund under its Act.

Ms. Boggess stated that staff is requesting approval to provide \$250,000 in matching funds to Home4Good and to execute a Home4Good Agreement with the FHLB substantially in the form provided to the Board.

Member Gianola requested that paragraph three of the Agreement be revised to clearly state the restrictions under the Housing Development Fund's Act.

A brief discussion followed.

Member Mary Skeens moved the authorization of the execution of the Home4Good Agreement, subject to the change requested by Member Gianola, and the allocation of \$250,000 in matching funds to Home4Good. Her motion was seconded by Member Bob Nistendirk and, upon the affirmative vote of eight (8) members present, the Chairman declared the motion adopted.

Chair Urling confirmed that the Executive Director has the authority to approve Home4Good projects under \$300,000 without Board approval. Ms. Boggess stated that staff will report the activities to the Board regarding the distribution of the Home4Good funds.

Member Kapourales left the meeting (via phone).

#### EXECUTIVE SESSION

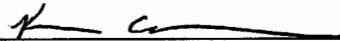
Member Gianola moved that the Board enter Executive Session under W. Va. Code § 6-9A-4(b)(9) to discuss legal matters. His motion was seconded by Representative Steven Travis and, upon the affirmative vote of the seven (7) members present, the Chairman declared the motion adopted. The Board adjourned into Executive Session at 9:25 a.m.

The Executive Session concluded at 10:13 a.m. Chair Urling stated that no action took place during the Executive Session.

Member Nistendirk moved that the Housing Development Fund stop the processing of any further payments and applications and to stop any new business with Southern Appalachian Labor School (SALS) until staff receives appropriate documentation regarding a recently submitted draw request and the Board determines that it is appropriate to resume activities with SALS. His motion was seconded by Member Gianola, and, upon the affirmative vote of the seven (7) members present, the Chair declared the motion adopted.

#### ADJOURNMENT

There being no further business, Representative Travis moved to adjourn the meeting. His motion was seconded by Member Gianola. Meeting adjourned at 10:15 a.m.

  
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Kristin Shaffer, Assistant Secretary

WEST VIRGINIA HOUSING DEVELOPMENT FUND  
PLAN OF FINANCE  
APPROVED BY THE BOARD OF DIRECTORS, May 24, 2018

Single Family – Housing Finance Program Bonds

**AUTHORIZED MAXIMUM ISSUANCE AMOUNT**

This Plan of Finance authorizes the issuance of one or more series of bonds not to exceed a maximum aggregate principal amount of \$50,000,000. The bonds will be referred to as the 2018 Bonds.

**FINANCING TEAM**

The Housing Development Fund will retain Piper Jaffray & Co. for certain financial advisory services relating to this Plan of Finance. Expected services will include assistance in the preparation of bond and disclosure documents, preparation of rating agency information and cash flows, marketing advice on terms and conditions of the 2018 Bonds, verification of bids or assistance in negotiating pricing rates, assistance in obtaining underwriters as needed and other activities necessary to complete each transaction. The other members of the Financing Team include:

Bond Counsel – Hawkins Delafield & Wood LLP, Howard Zucker, Joseph P. Rogers Jr., Daniel Fuss, Faust Bowerman and Jamison Sadlon

General Counsel – Jackson Kelly PLLC, Samme Gee and Taunja Willis Miller

Trustee – United Bank, Thomas Provenzano

Underwriters – See Marketing Plan below.

**OBJECTIVE**

The objective of this Plan of Finance is to sell multiple series of the 2018 Bonds to provide up to \$50,000,000 in fixed rate mortgages. The 2018 Bonds may be issued as taxable and/or tax-exempt debt, depending on market factors and the potential benefit.

**THE 2018 BONDS**

**Housing Finance Bond Resolution**

The 2018 Bonds may be issued on parity with bond issues currently outstanding under the Housing Finance Bond Resolution. (See Exhibit I for a complete summary of Housing Finance Bonds issued and currently outstanding). The Housing Finance

Resolution is a general obligation of the Housing Development Fund and is rated "Aaa" by Moody's and "AAA" by Standard and Poor's.

## **Structure**

The 2018 Bonds will be book-entry bonds featuring serial and/or term bonds with fixed interest rates. However, if meaningful interest savings can be obtained, capital appreciation, deep discount, tender option, super sinker, planned amortization class or premium bonds may be added to the final structure. The final size of an issue will be based on borrower need and market rates.

Tax-exempt bonds will require the use of Bond Volume Cap. The Housing Development Fund has sufficient Bond Volume Cap available for such tax-exempt bonds.

Taxable bonds do not require the use of Bond Volume Cap.

## **Redemption Provisions**

If issued as tax-exempt bonds, the 2018 Bonds may be subject to optional redemption by the Housing Development Fund prior to maturity, as a whole or in part, at a premium not to exceed 3%, commencing on a date determined as of the date of sale.

The Housing Development Fund may make special redemptions of tax-exempt 2018 Bonds at any time at par plus accrued interest under the following conditions:

**Non-Origination** - Funds not used to purchase Program Loans during the origination period may be used to call the 2018 Bonds.

**Excess Program Revenues and Excess Capital Reserve Funds** - Subject to requirements of the Internal Revenue Code, excess program revenue, including Program Loan prepayments to the extent not recycled into new Program Loans and Capital Reserve Funds in excess of the Capital Reserve Fund Requirement, may be used to call the 2018 Bonds or other bonds under the Housing Finance Resolution.

Taxable 2018 Bonds may be issued with or without redemption provisions or may be issued with "make-whole" provisions that strongly discourage economic refunding but allow for redemptions under extenuating circumstances.

Redemption provisions may be modified if such modification proves to be beneficial to the sale of any of the 2018 Bonds.

## **Capital Reserve Fund**

The Housing Finance Resolution requires the aggregate Capital Reserve Fund for all bonds outstanding to be funded in an amount equal to the highest annual aggregate debt service payment. If additional funds are needed to satisfy the Capital Reserve Fund

Requirement after the issuance of any of the 2018 Bonds, they may be provided from proceeds of the 2018 Bonds, other funds held pursuant to the Housing Finance Resolution or a contribution from the Bond Insurance Fund.

To maintain the bond ratings, the rating agencies may require a set-aside of assets currently held under the Housing Finance Resolution or other sources to secure against potential loan losses.

## **Investments**

All investments of bond proceeds will comply with the Investment Policy approved by the Board of Directors, bond documents and IRS regulations.

## **Bond Insurance Fund**

The Bond Insurance Fund will secure the 2018 Bonds. All Program Loans not federally insured or guaranteed require the payment of a Bond Insurance Fund Premium of 1% at loan closing and .50% annually. To reduce interest costs for the borrowers, such premiums will be paid to the Bond Insurance Fund from available funds. It is currently expected that the Bond Insurance Fund will have the funds available to cover the Bond Insurance Fund Premiums due for the Program Loans originated from the 2018 Bonds. This process reduces the cost to the borrowers.

## **MARKETING PLAN**

The Finance Team will explore the ability to issue the bonds through a competitive sale or a private placement with an institutional investor. Electronic bidding may be used under the competitive sale option. However, if tax-exempt bonds are issued, it will likely be necessary to market each series of 2018 Bonds through a negotiated sale. If market conditions necessitate the use of a negotiated sale, the Housing Development Fund will use Raymond James as underwriter. In no instance will any 2018 Bonds be sold after December 31, 2018 without prior Board approval.

## **Underwriting Spread**

The gross spread on each issue of 2018 Bonds sold through competitive or negotiated sale will not be permitted to exceed \$8.50 per \$1,000 bond. The amount of the actual gross spread will be established based on market conditions when each issue of 2018 Bonds is marketed.

## **CONTRIBUTION**

The costs of issuance of the 2018 Bonds may be paid from the Housing Finance Program, the General Fund or from proceeds of the 2018 Bonds. (See Exhibit II for a summary of the expected costs of issuance).

## **PROGRAM LOANS**

All Mortgage Loans made with the proceeds of the 2018 Bonds will be serviced by the Housing Development Fund and be subject to the following:

Maximum Amount of Loans - \$50 million

Maximum Mortgage Term – 30 years

New mortgages financed with the 2018 Bonds will likely be originated by lending institutions throughout the State on behalf of the Housing Development Fund. Lenders will be paid a compensation fee to originate each loan as well as a servicing release fee for the purchase of loan servicing rights. The Housing Development Fund will adjust the loan origination fee and the servicing release fee paid to originators based on current market practices. Origination fees per loan will not exceed the greater of 2% of the loan principal balance or \$1,500. Servicing release fees per loan will generally not exceed 1%.

Mortgages with loan-to-value ratios at origination in excess of 80% will be FHA insured, VA or RHS guaranteed or covered by private mortgage insurance.

Eligible Borrowers will continue to be offered down payment closing cost assistance loans to cover loan closing costs and downpayment. The funds for these loans will be provided from the Down Payment and Closing Cost Assistance Program previously authorized and funded by the Board or other available funds.

## **WAREHOUSING LOANS**

Typically, when bonds are issued, the initial proceeds are invested in short-term investments until the funds are used for the purchase of mortgage loans. Because short-term investment rates are significantly lower than long-term bond rates, this will create negative arbitrage.

To reduce this negative arbitrage or to manage cash flow, the Housing Development Fund may use available general operating funds to warehouse loans in anticipation of the sale of 2018 Bonds. While the mortgage loans are held in our general accounts, they will provide a higher interest rate than investments available in the short-term market. The risk associated with this process is that interest rates will rise before the 2018 Bonds can be issued, which reduces the spread between the long term bond rate and the rate on the mortgage loans.

## **PROGRAM LOAN RATE ADJUSTMENT**

The Housing Development Fund may increase or decrease the Program Loan rate according to market conditions during the origination period, however, the ability to adjust the rate will be significantly limited in order to comply with our permitted mortgage yield spread. The Housing Development Fund will monitor the effect of any rate changes to ensure that we do not exceed our permitted yield spread.



**Exhibit I**  
**Summary of Housing Finance Bonds Outstanding**  
**As of May 1, 2018 (unaudited)**  
**(Dollars in Thousands)**

Issue (1)	Interest Rates of Outstanding Maturities	Original Issue Amount	Scheduled Maturities and Sinking Fund Payments	Early Redemptions from Prepayments, Excess Revenues, and Reserves	Amount Outstanding May 1, 2018
2011 A (2)	2.909%-3.622%	50,000	31,030	-	18,970
2013 A (2)	1.55%-3.20%	21,000	6,075		14,925
2013 BC	2.45%-4.35%	47,500	9,490	22,025	15,985
2014 AB	1.70%-4.10%	48,865	8,475	5,620	34,770
2015 AB	1.50%-3.80%	50,660	8,220	6,110	36,330
2015 CD	1.50 - 4.10%	70,060	5,275	7,345	57,440
2017 AB	1.25%-4.125%	<u>39,505</u>	<u>995</u>	<u>810</u>	<u>37,700</u>
<b>Total HF</b>		<b><u>\$ 327,590</u></b>	<b><u>\$ 69,560</u></b>	<b><u>\$ 41,910</u></b>	<b><u>\$ 216,120</u></b>

(1) All listed issues finance Program Loans (primarily single family).

(2) Taxable Issues.

**EXHIBIT II**  
**Plan Of Finance Dated May 24, 2018**

**Housing Finance Program Bonds**  
**Estimated Cost Of Issuance**  
**\$50,000,000 Bonds**

	<b>Total</b>
<b>Bond Counsel</b>	\$90,000
<b>Trustee Acceptance Fee</b>	\$7,000
<b>Trustee Counsel Fee</b>	\$15,000
<b>Official Statement Printing &amp; Mailing</b>	\$7,000
<b>Rating Agencies</b>	\$150,000
<b>Financial Advisor</b>	\$99,000
<b>General Counsel</b>	\$30,000
<b>Binding</b>	\$2,400
<b>Internet Bidding &amp; Notice Of Sale</b>	\$16,000
<b>HDF Expenses</b>	<u>\$80,000</u>
<b>TOTAL</b>	\$496,400
<b>Underwriter's Discount (Maximum)</b>	<u>\$425,000</u>
<b>Total Cost Of Issuance</b>	<u>\$921,400</u>

**This estimate assumes two separate bond transactions at the maximum underwriters spread.**

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WEST VIRGINIA HOUSING DEVELOPMENT FUND

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Fiftieth Supplemental Housing Finance

Bond Resolution

Authorizing

not to exceed

\$50,000,000

Housing Finance Bonds

Adopted May 24, 2018

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A SUPPLEMENTAL RESOLUTION AUTHORIZING  
THE ISSUANCE OF HOUSING FINANCE BONDS

BE IT RESOLVED by the Board of Directors of the West Virginia Housing Development Fund (the "Housing Development Fund") as follows:

ARTICLE I

Definitions and Authority

Section 1.01. Short Title. This resolution may hereafter be cited by the Housing Development Fund and is herein referred to as the "Fiftieth Supplemental Housing Finance Bond Resolution."

Section 1.02. Definitions. (A) All terms which are defined in Section 102 of the resolution of the Housing Development Fund adopted April 29, 1976, as supplemented, and entitled: "General Housing Finance Bond Resolution" (the "Resolution") shall have the same meanings, respectively, in this Fiftieth Supplemental Housing Finance Bond Resolution as such terms are given in said Section 102.

(B) In addition, as used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"Act" means the West Virginia Housing Development Fund Act, as amended.

"Certificate of Determinations" means a document signed by the Executive Director, the Deputy Director or any Assistant Secretary upon the sale of Supplemental Bonds setting forth matters to be therein determined pursuant to this Supplemental Resolution.

"Notice of Sale" means any notice of the sale of Supplemental Bonds to potential bidders pursuant to Section 3.01.

"Plan of Finance" means the plan of finance approved by Section 3.03 of this Supplemental Resolution.

"Serial Bond" means any Supplemental Bond which is not subject to redemption from mandatory sinking fund payments.

"Supplemental Bonds" means the Bonds of the Housing Development Fund authorized by this Supplemental Resolution.

"Supplemental Resolution" means this Fiftieth Supplemental Housing Finance Bond Resolution.

"Term Bond" means any Supplemental Bond which is subject to redemption from mandatory sinking fund payments.

(C) Unless the context shall otherwise indicate, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(D) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Supplemental Resolution, refer to this Supplemental Resolution.

Section 1.03. Authority for this Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

## ARTICLE II

### Terms and Issuance

Section 2.01. Principal Amount, Designation and Series. In order to provide funds necessary for the Housing Finance Program, in accordance with and subject to the terms, conditions and limitations established herein and in the Resolution, additional Series of Housing Finance Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$50,000,000 to provide additional funds for the Housing Finance Program. The Housing Development Fund is of the opinion and hereby determines that the issuance of such Bonds in up to said amount is necessary to provide sufficient funds to be used and expended for the Housing Finance Program. In addition to the title "Housing Finance Bond" the Bonds of each such Series shall bear an additional designation distinguishing such Bonds from other Bonds. The Supplemental Bonds may consist of Serial Bonds and Term Bonds and the principal amount of Serial Bonds and Term Bonds shall be as set forth in a Certificate of Determinations. The Supplemental Bonds shall be issued as fully-registered bonds in the name of a securities depository or other registered owners as specified by the initial purchaser(s) thereof. Nothing in this paragraph or any other section of this Supplemental Resolution shall be construed to require the use of Term Bonds or Serial Bonds or current interest paying bonds, but may include such a combination of such Bonds as the Executive Director, the Deputy Director or any Assistant Secretary may, subject to Section 2.04, provide in the Certificate of Determinations.

Section 2.02. Purposes. The purposes for which the Supplemental Bonds are being issued are to raise funds to finance Home Mortgage Loans under the Housing Finance Program and to provide funds for deposit in the Mortgage Loan Fund, the Capital Reserve Fund and the Interest Account in the Debt Service Fund, all to the extent and subject to the limitations contained in the Resolution and Article IV hereof.

Section 2.03. Dated Dates. The Supplemental Bonds shall have such dated date, or dated dates, as provided in a Certificate of Determinations.

Section 2.04. Maturities and Interest Rates. The Supplemental Bonds of each Series shall mature on May 1 or November 1, or both, of such years through not later than 2058 as shall be specified in a Certificate of Determinations and, to the extent that such Bonds bear interest, shall bear interest payable commencing no later than a May 1 or November 1 that is less than twelve months after the date of issuance thereof. The amount of the Supplemental Bonds maturing in any particular year and the interest rate or rates relating to such Bonds shall be specified by the Executive Director, the Deputy Director or any Assistant Secretary in a Certificate of Determinations. In no event shall the interest rate or rates on the Supplemental Bonds of any particular maturity exceed 8.00% per annum. The amount of each maturity shall be established so as to satisfy the provisions of Section 206 of the Resolution concerning the delivery of a Statement of Projected Revenues.

Section 2.05. Denominations, Numbers and Letters. The Supplemental Bonds of a Series maturing in each year shall be issued in the denomination of \$5,000 each or any integral multiple thereof (not exceeding the aggregate principal amount of the Supplemental Bonds of



such Series maturing in such year) and the Supplemental Bonds of each such Series shall be numbered from 1 upward in order of their maturity dates with such letter and number prefixes as shall be determined by the Trustee to be appropriate for purposes of transfer, registry and exchange.

Section 2.06. Paying Agent. The Trustee is hereby appointed the Paying Agent for the Supplemental Bonds pursuant to Section 1102 of the Resolution.

Section 2.07. Special Redemption. (A) The Supplemental Bonds shall be subject to redemption, as a whole or in part, in accordance with the provisions of the Resolution from (i) unexpended proceeds of the Supplemental Bonds, and any other amounts allocable to the Supplemental Bonds remaining in the Mortgage Loan Fund, together with financing fees, commitment fees and origination fees, if any, received in connection therewith; (ii) any repayments and Recoveries of Principal with respect to Mortgage Loans held under the Resolution and (iii) amounts equal to amounts on deposit in the Capital Reserve Fund in excess of the Capital Reserve Fund Requirement and amounts in the Revenue Fund in excess of the amount required to meet accrued Debt Service on all Outstanding Bonds, on any date (which date shall be determined subject to the provisions of and in accordance with the Resolution and when so determined shall be deemed and is hereby set forth as the redemption date), prior to their respective maturities, upon notice as provided in Article VI of the Resolution, at a Redemption Price equal to 100% of the principal amount of such Bonds to be so redeemed (*except* that, in the case of Supplemental Bonds sold at a premium, the Redemption Price for any redemption described in clause (i) above shall be as expressly set forth in a Certificate of Determinations), plus in each case interest accrued to the redemption date.

(B) All or any portion of the Supplemental Bonds may be subject to redemption or required to be redeemed as a whole or in part, from a portion or all of the sources listed in Paragraph (A) of this Section or from any additional amounts available therefor in the Funds and Accounts held under the Resolution, upon the dates and terms set forth in a Certificate of Determinations.

Section 2.08. Optional Redemption. (A) The Supplemental Bonds shall also be subject to redemption, at the election of the Housing Development Fund, on any date (which date shall be determined by the Housing Development Fund or selected by the Trustee, subject to the provisions of and in accordance with the Resolution and when so determined or selected shall be deemed and is hereby set forth as the redemption date) on or after any interest payment date not less than five years from their dated date and prior to their respective maturities, upon notice as provided in Article VI of the Resolution, at the respective Redemption Prices (expressed as percentages of the principal amount of such Supplemental Bonds to be so redeemed) as shall be set forth in a Certificate of Determinations, plus in each case interest accrued to the redemption date, *provided* that no such Redemption Price shall exceed 103% of the principal amount of such Supplemental Bonds to be so redeemed, *except* in the case of (i) taxable bonds subject to a “make-whole” redemption and (ii) bonds sold at a premium, in each case as expressly set forth in such Certificate of Determinations.

(B) All or any portion of the Supplemental Bonds may be subject to redemption as a whole or in part as described in Paragraph (A) of this Section from moneys in

the General Redemption Account, as permitted by subsection (B) of Section 506 of the Resolution, upon dates and terms set forth in a Certificate of Determinations.

Section 2.09. Mandatory Redemption of Term Bonds. The Term Bonds shall be subject to redemption in part by operation of the Principal Installment Account through application of Sinking Fund Payments as provided in subsection 505(E) of the Resolution in each case at the Redemption Price equal to the principal amount of each Supplemental Bond or portion thereof to be redeemed, together with interest accrued to the redemption date. Subject to the provisions of subsections 505(D) and 506(E) of the Resolution permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments, there shall be due, and the Housing Development Fund shall at any and all events be required to pay, on May 1 and November 1 of each of the years specified in a Certificate of Determinations, the amount established for such purpose in the Certificate of Determinations and said amount is hereby established as and shall constitute a Sinking Fund Payment for the retirement of the Term Bonds of the respective Series specified in the Certificate of Determinations.

Section 2.10. Selection by Lot. If less than all of the Supplemental Bonds of the same Series, maturity and interest rate are to be redeemed, the particular Supplemental Bonds of such Series, maturity and interest rate to be redeemed shall be selected by lot in accordance with Section 604 of the Resolution.

Section 2.11. Additional Determinations. (A) To the extent the Executive Director, the Deputy Director or any Assistant Secretary deems necessary to preserve any applicable tax-exempt status of, or the rating on, any of the Supplemental Bonds, based on the advice of counsel or a financial advisor, as appropriate, the Certificate of Determinations may include additional determinations including adjustments to the interest rate, fees and points applicable to Mortgage Loans being financed with the proceeds of the Supplemental Bonds, minimum requirements on amounts held in the various Funds and Accounts and restrictions on investments of amounts held under the various Funds and Accounts.

(B) To the extent that the Executive Director, the Deputy Director or any Assistant Secretary determines that such modification is desirable to assist in marketing the Supplemental Bonds or to reduce the Housing Development Fund's exposure to the risk of significant reductions in market interest rates, the Executive Director, the Deputy Director or any Assistant Secretary may in the Certificate of Determinations modify or eliminate any of the terms of redemption of the Supplemental Bonds, including the prices, dates, and special, optional or mandatory redemption sources, *provided* that the Redemption Price of Supplemental Bonds shall not exceed 103% of the principal amount thereof, *except* in the case of (i) taxable bonds subject to a "make-whole" redemption and (ii) bonds sold at a premium, in each case as expressly set forth in the Certificate of Determinations.

## ARTICLE III

### Sale and Delivery

Section 3.01. Sale. (A) The Supplemental Bonds may be sold at one time or from time to time, and in one or more Series, by no later than December 31, 2018, and may be sold pursuant to competitive bids, or, in the alternative, at a private or negotiated sale to potential underwriters, Fannie Mae (formerly the Federal National Mortgage Association), the Federal Home Loan Mortgage Corporation or any other party or parties upon the determination of the Executive Director, the Deputy Director or any Assistant Secretary that such sale would be in the best interest of the Housing Development Fund.

(B) The Chairman, the Executive Director, the Deputy Director or any Assistant Secretary is hereby authorized (i) to publish and distribute a notice or notices of sale of all or any part of the Supplemental Bonds or to sell the same at a private or negotiated sale as aforesaid, (ii) to distribute to prospective purchasers and investors a preliminary official statement or private placement memorandum with respect to all or any part of the Supplemental Bonds, (iii) to receive bids for Supplemental Bonds pursuant to such notice or notices of sale, (iv) to select the underwriter or underwriters for Supplemental Bonds the Chairman, the Executive Director, the Deputy Director or any Assistant Secretary determines shall be sold by negotiated sale, (v) to negotiate the terms and conditions of any negotiated or private sale, (vi) to award Supplemental Bonds to the successful bidder or bidders at competitive sale or enter into a contract for the private or negotiated sale of Supplemental Bonds, as aforesaid, and (vii) to deliver to the purchaser or purchasers of any Supplemental Bonds a final official statement or private placement memorandum with respect to such Supplemental Bonds. Any notice of sale of Supplemental Bonds or any contract for the sale thereof shall contain such terms and conditions consistent with this Supplemental Resolution as the Chairman, the Executive Director, the Deputy Director or any Assistant Secretary shall determine to be customary and prudent taking into account the best interests of the Housing Development Fund. Any official statement or private placement memorandum with respect to Supplemental Bonds shall be in substantially the form of the Official Statement dated March 9, 2017, with respect to the Housing Finance Bonds, 2017 Series A and 2017 Series B of the Housing Development Fund, with such changes as the officers preparing the same shall determine to be necessary or appropriate, including changes to reflect developments since the preparation of such Official Statement dated March 9, 2017. In connection with the sale of any Supplemental Bonds, the aforesaid officers or any of them are authorized to enter into an agreement with respect to continuing disclosure of the type contemplated by Rule 15c2-12(b)(5)(i) of the United States Securities and Exchange Commission (17 CFR §240.15c2-12(b)(5)(i)).

Section 3.02. Execution and Delivery. The Chairman, the Executive Director, the Deputy Director and any Assistant Secretary of the Housing Development Fund, each as an Authorized Officer, are hereby authorized to execute the Supplemental Bonds in an aggregate principal amount not to exceed \$50,000,000 in the name of and on behalf of the Housing Development Fund by his or her signature or by facsimile thereof and to cause the corporate seal of the Housing Development Fund or a facsimile thereof to be affixed, imprinted, engraved or otherwise reproduced on the Supplemental Bonds; and the Secretary, any Assistant Secretary or

any Assistant Treasurer or any of the aforesaid Authorized Officers hereby is authorized to attest by his or her manual or facsimile signature, said corporate seal or facsimile thereof.

Each of the Chairman, the Executive Director, the Deputy Director and any Assistant Secretary of the Housing Development Fund is hereby specifically designated as an Authorized Officer as defined in the Resolution and they are hereby severally authorized, after the execution of any Supplemental Bonds, to deliver the same for authentication to the Trustee, and, upon authentication and upon receipt of the purchase price thereof, to deliver to the Trustee a written order in the name of the Housing Development Fund directing the Trustee to deliver such Supplemental Bonds to the order of the purchasers thereof and to receive the proceeds of the sale thereof and give a written receipt therefor on behalf of the Housing Development Fund, to apply said proceeds and other moneys in accordance with the terms of the Resolution and this Supplemental Resolution and in such manner as is required to cause the conditions precedent to the issuance of such Supplemental Bonds to be complied with, and to do and perform or cause to be done or performed, for or on behalf of the Housing Development Fund, all acts and things that constitute conditions precedent to the authentication and delivery of Supplemental Bonds or that are otherwise required or desirable to be done and performed by or on behalf of the Housing Development Fund prior to or simultaneously with the delivery of Supplemental Bonds.

Section 3.03. Plan of Finance. The Plan of Finance presented to the Board of Directors at this meeting is hereby approved. A copy of such Plan of Finance shall be included in the minutes of this meeting as an Exhibit with the same force and effect as if set forth therein.

## ARTICLE IV

### Disposition of Proceeds and Other Moneys

Section 4.01. Interest Account. Upon receipt of the proceeds of sale of any Supplemental Bonds, there shall be deposited in the Interest Account the amount, if any, received as accrued interest thereon.

Section 4.02. Capital Reserve Fund. Simultaneously with the deposit in the Interest Account referred to above, there shall be deposited from the proceeds of the Supplemental Bonds or other available funds into the Capital Reserve Fund, the amount, if any, specified in a Certificate of Determinations, but in no event less than the amount necessary to cause the amount in the Capital Reserve Fund to equal the Capital Reserve Fund Requirement.

Section 4.03. [RESERVED]

Section 4.04. Mortgage Loan Account. After the deposits and uses referred to in Sections 4.01, 4.02 and 4.03 hereof, the balance of the proceeds of sale and delivery of any of the Supplemental Bonds shall be deposited in one or more accounts in the Mortgage Loan Fund. Subject to the provisions of Section 2.02 and Section 3.03 hereof, no limitation is herein set forth with respect to the purposes for which such moneys may be expended and applied.

Section 4.05. Cost of Issuance. The Housing Development Fund's officers are authorized to pay costs of issuance of the Supplemental Bonds issued as authorized in Section 2.01 in accordance with the Plan of Finance in an aggregate amount not to exceed \$1,000,000.

ARTICLE V

Form

Section 5.01. Form of Registered Bond. The form of each fully-registered Supplemental Bond, with such additions and variations as shall be appropriate in accordance with a Certificate of Determinations, shall be substantially as follows:

WEST VIRGINIA HOUSING DEVELOPMENT FUND  
HOUSING FINANCE BOND  
2018 Series \_\_\_\_

No. \_\_\_\_\_

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>	<u>Principal</u> <u>Sum</u>
--------------------------------	--------------------------------	-----------------------------	--------------	--------------------------------

Registered Owner: \_\_\_\_\_

Principal Sum: \_\_\_\_\_ Dollars

West Virginia Housing Development Fund (hereinafter sometimes called the "Housing Development Fund"), a public body corporate and governmental instrumentality of the State of West Virginia (herein called the "State"), created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay, to the Registered Owner (named above), or registered assigns, on the maturity date as shown above, unless redeemed prior thereto, the Principal Sum (as shown above) on the Maturity Date (as shown above), and to pay interest on said Principal Sum from the Dated Date hereof, until the Housing Development Fund's obligation with respect to the payment of said Principal Sum shall be discharged, at the Interest Rate (as shown above) payable semi-annually on the first day of May and the first day of November of each year, commencing \_\_\_\_\_. The principal or redemption price, if any, of and interest on this bond are payable at the principal office of United Bank, Inc., in the City of Charleston, West Virginia, in any coin or currency of the United States of America, which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This bond is one of the Bonds of the Housing Development Fund designated "Housing Finance Bonds" (herein called the "Bonds"), authorized to be issued in various series under and pursuant to Article 18, Chapter 31 of the Code of West Virginia, 1931, as amended (herein called the "Act"), a resolution of the Housing Development Fund adopted April 29, 1976,

and entitled: "General Housing Finance Bond Resolution" (as amended and supplemented, herein called the "General Resolution") and a supplemental resolution authorizing each series. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series of various principal amounts, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. All Bonds issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This bond is one of a series of Bonds additionally designated "2018 Series \_\_\_" (herein called the "2018 Series \_\_\_ Bonds") issued in the aggregate principal amount of \$\_\_\_\_\_ under the General Resolution and a supplemental resolution of the Housing Development Fund adopted May 24, 2018, and entitled: "Fiftieth Supplemental Housing Finance Bond Resolution Authorizing not to exceed \$50,000,000 Housing Finance Bonds" (herein together with the General Resolution called the "Resolutions"). Copies of the Resolutions are on file at the office of the Housing Development Fund in the City of Charleston, West Virginia, and at the principal office of United Bank, Inc., in the City of Charleston, West Virginia, as trustee under the General Resolution (said trustee and any successor thereto under the General Resolution being herein called the "Trustee"), and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the bearers or registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds have been issued and may be issued thereunder. Upon certain conditions provided in the General Resolution, the provisions thereof may be discharged and satisfied prior to the maturity of the Bonds. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Housing Development Fund, with the written consent of the holders of at least two-thirds in principal amount of the Bonds then outstanding, and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the holders of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding. If such modification or amendment will by its terms not take effect so long as any Bonds of any specified like series and maturity remain outstanding, however, the consent of the holders of such Bonds shall not be required. The holder of this bond shall have no right to enforce the provisions of the Resolutions, to institute action to enforce the provisions of the Resolutions or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the General Resolution. In certain events, on the condition, in the manner and with the effect set forth in the General Resolution, the principal of all the Bonds issued thereunder and then outstanding, together with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

This bond is transferable, as provided in the Resolutions, only upon the books of the Trustee at the direction of the registered owner hereof in person, or by his attorney duly authorized in writing, and thereupon a new fully-registered 2018 Series \_\_\_ Bond or Bonds in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange therefor as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed. The Housing Development Fund, the Trustee and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute

owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

The 2018 Series \_\_ Bonds maturing in any one year are issuable in fully-registered form, in the denominations of \$5,000 or any multiple thereof not exceeding the aggregate principal amount of 2018 Series \_\_ Bonds maturing in such year.

Subject to any agreements heretofore or hereafter made with the persons who shall hold any other bonds or notes of the Housing Development Fund pledging any particular revenues or assets not pledged under the General Resolution and the exclusion by the Act of a pledge of funds in the Land Development and Job Development Funds (as described in the Act), this bond is a direct and general obligation of the Housing Development Fund and the full faith and credit of the Housing Development Fund is hereby pledged to the payment of the principal or redemption price, if any, hereof and interest hereon.

Pursuant to the Resolutions, the 2018 Series \_\_ Bonds are subject to redemption at the election of the Housing Development Fund at the times and in the manner provided in the Resolutions.

The State is not liable on the Bonds, neither the faith and credit nor the taxing power of the State or of any political subdivision of the State is pledged to the payment of the principal of or the interest on the Bonds, and the Bonds do not constitute a debt, liability or other obligation of the State.

The Act provides that neither the directors or officers of the Housing Development Fund nor any person executing this bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

This bond shall not be valid or become obligatory for any other purpose or be entitled to any security or benefit under the Resolutions until the Certificate of Authentication hereon shall have been signed by the Trustee.

In accordance with the provisions of the Resolutions, the principal of this bond may be paid in part without surrender hereof, upon receipt by the Trustee of evidence satisfactory to the Trustee that such partial payment has been received by the registered owner hereof and upon notation of such payment and of the resulting principal amount hereof below:

Dated	Payment Amount	Principal Balance	Authorized Signature
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed in due time, form and manner as required



by law and that the issue of the 2018 Series \_\_ Bonds, together with all other indebtedness of the Housing Development Fund, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the West Virginia Housing Development Fund has caused this bond to be executed in its name by the manual signature of its duly authorized officer and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual signature of its Assistant Treasurer, Secretary or other Authorized Officer, all as of the dated date shown above.

WEST VIRGINIA HOUSING DEVELOPMENT FUND

By \_\_\_\_\_  
Authorized Officer

[Seal]

Attest

\_\_\_\_\_  
Assistant Secretary

Section 5.02. Form of Trustee's Certificate of Authentication. The Supplemental Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication in substantially the following form:

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This bond is one of the Bonds described in the within-mentioned Resolutions and is one of the Housing Finance Bonds, 2018 Series \_\_\_ of the West Virginia Housing Development Fund.

\_\_\_\_\_

By \_\_\_\_\_  
Authorized Officer

Date of Authentication  
\_\_\_\_\_, 2018

Section 5.03. Form of Assignment. A Form of Assignment in the following form shall be attached to every Supplemental Bond:

ASSIGNMENT

Social Security or Other Identifying  
Number of Assignee:

\_\_\_\_\_

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond and all rights and title thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ or its successor as Bond Registrar to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Notice: \_\_\_\_\_  
Signature must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
(Bank, Trust Company or Firm)

\_\_\_\_\_  
(Authorized Officer)

## ARTICLE VI

### Miscellaneous

Section 6.01. Recourse Against Directors or Officers or Other Persons. No recourse shall be had for the payment of the principal of or interest on the Supplemental Bonds or for any claim based thereon or on this Supplemental Resolution against any director or officer of the Housing Development Fund or any person executing the Supplemental Bonds and neither the directors or officers of the Housing Development Fund nor any person executing the Supplemental Bonds shall be liable personally on the Supplemental Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

Section 6.02. Reservation of Funds. As provided in the Plan of Finance, the Executive Director, the Deputy Director or any Assistant Secretary is hereby authorized to provide for amounts to be reserved and restricted in the Revenue Fund or in the General Fund or the Bond Insurance Fund of the Housing Development Fund in order to provide assurances to the rating agencies and the holders of the Bonds against certain contingencies and to provide a source for the payment of Bond Insurance Fund premiums for Home Mortgage Loans that are not insured by the Federal Housing Administration or any successor thereto or guaranteed by the United States Department of Veteran Affairs or the United States Department of Agriculture, Rural Housing Service (formerly the Farmers Home Administration), or any successor thereto.

Section 6.03. Interim Financing. To provide funds for the acquisition of Home Mortgage Loans prior to the issuance of Supplemental Bonds, amounts from general operating funds may be applied to such acquisition, with the amounts so applied being reimbursed or repaid with the proceeds of Supplemental Bonds.

Section 6.04. Public Approval. The Housing Development Fund is hereby authorized to conduct a public hearing as required by Section 147 of the Internal Revenue Code of 1986, as amended, for which reasonable notice shall be given. Any actions heretofore taken with respect to the conduct of such a public hearing are ratified and confirmed.

The results of the public hearing shall be submitted to the Governor of the State of West Virginia for his consideration in the approval of the issuance of Supplemental Bonds and any interim loans or interim financing notes.

Section 6.05. Effective Date. This Supplemental Resolution shall take effect immediately.