

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
July 22, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, July 22, 2020 via telephone. The telephone number was made available to the public in the Notice of Meeting of the Board of Directors posted on the Secretary of State website, the Fund's website, and at the gate of the West Virginia Housing Development Fund. The Chair called the meeting to order at 9:03 a.m. with the following members present throughout, except where noted.

Ann Urling, Chair
Norman Bailey, Representative for the Honorable Kent Leonhardt, Commissioner of Agriculture
David Gardner, Member
John Gianola, Member
Sam Kapourales, Member
Patrick Martin, Member
Wendy McCuskey, Member
Bob Nistendirk, Member
Josh Stowers, Representative for the Honorable John Perdue, Treasurer
Steven Travis, Representative for the Honorable Patrick Morrissey, Attorney General

Staff present:

Erica Boggess, Executive Director
Tammy Bonham, Division Manager – Loan Servicing
Josh Brown, Senior Manager – Asset Management
Cathy Colby, Senior Manager – HOME and HTF Programs
Julie Davis, Deputy Director – Production
George Gannon, Communications Administrator
Chad Leport, Division Manager – Accounting and Finance
Martha Lilly, Legal Assistant
Alicia Massie, Legal Counsel - Compliance
Kelley Ridling, Senior Manager – Internal Audit
Jon Rogers, Senior Division Manager – Single Family Lending
Lori Ryan, Executive Assistant
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Senior Division Manager – Multifamily Lending
Dorothy White, Federal Compliance Officer
Michelle Wilshire, Senior Manager – Low Income Housing Tax Credit Program
Crystal Toney, Deputy Director – Administration

Others Present:

Samme Gee, Jackson Kelly PLLC
Kelley Goes, Jackson Kelly PLLC

APPROVAL OF THE MINUTES OF JUNE 24, 2020, MEETING

Member Bob Nistendirk moved the approval of the minutes of the June 24, 2020 meeting. His motion was seconded by Representative Norman Bailey, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

BOND AUTHORIZING RESOLUTION – MCCORMICK
CROSSING

Julie Davis stated that, at the October 30, 2019 meeting, the Board approved a Bond Inducement Resolution which preliminarily authorized the issuance of bonds on behalf of McCormick Crossing Limited Partnership. The bond proceeds, along with other funds, will finance the acquisition and rehabilitation of McCormick Crossing, a 48-unit residential rental housing project located in Sistersville. The bond issuance will be in an amount not to exceed \$3,550,000 and is a requirement to qualify the project for 4% tax credits. Ms. Davis stated that the Governor approved this bond transaction on November 18, 2019.

Ms. Davis explained that the bonds will be issued as drawdown bonds. Drawdown bonds are popular for construction issues and other issues where the proceeds are needed over a period of time. The structure will allow the borrower to avoid negative arbitrage associated with unspent construction funds earning less than the bond yield. The bonds will mature no later than December 1, 2022.

Ms. Davis explained that the bonds will be limited and special obligations of the Fund and will not create a debt obligation, either general or special, or a liability or moral obligation of the State or any subdivision of the State. The issuance will require the use of bond volume cap for which there is sufficient cap. The bonds will count against the Fund's \$1.25 billion authority to have outstanding at any given time, and the Fund will be reimbursed for issuance costs and will earn a financing fee of approximately \$10,000.

Ms. Davis stated that staff is requesting the Board's approval of the Bond Authorizing Resolution and the bond documents, in substantially the form presented.

Member Nistendirk moved to approve the Bond Authorizing Resolution of up to \$3,550,000 for the acquisition and rehabilitation of McCormick Crossing and the bond documents, in substantially the form presented. His motion was seconded by Representative Josh Stowers, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

A copy of the Bond Inducement Resolution is attached as Exhibit A.

BOND AUTHORIZING RESOLUTION – LINDSEY TERRACE,
POST GLEN AND TYGART VALLEY APARTMENTS

Ms. Davis stated that, at the August 28, 2019 meeting, the Board approved a Bond Inducement Resolution which preliminarily authorized the issuance of bonds on behalf of WV Rural Preservation, LLC. The bond proceeds, along with other funds, will finance the acquisition, rehabilitation and equipping three residential rental housing projects for individuals and families. The bond issuance will be in an amount not to exceed \$7,255,000 and is a requirement to qualify the project for 4% tax credits. The projects are Lindsey Terrace Apartments in Martinsburg, Post Glen Apartments in Oceana, and Tygart Valley Apartments in

Elkins. The rehabilitation of these properties will preserve their long-term affordability for a collective total of 112 units. Ms. Davis stated that the Governor approved this bond transaction on March 11, 2020.

Ms. Davis explained that the bonds will be limited and special obligations of the Fund and will not create a debt obligation, either general or special, or a liability or moral obligation of the State or any subdivision of the State. The issuance will require the use of bond volume cap for which there is sufficient cap. The bonds will count against the Fund's \$1.25 billion authority to have outstanding at any given time, and the Fund will be reimbursed for issuance costs and will earn a financing fee of approximately \$14,510.

Ms. Davis stated that staff is requesting the Board's approval of the Bond Authorizing Resolution and the bond documents in substantially the form presented.

Representative Stowers moved to approve the Bond Authorizing Resolution and the bond documents in substantially the form presented. His motion was seconded by Member Sam Kapourales, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

A copy of the Bond Inducement Resolution is attached as Exhibit B.

APPROVAL OF MULTIFAMILY HOME LOAN OF UP TO
\$1,155,000 AND APPROVAL OF HOUSING TRUST FUND
LOAN OF UP TO \$2,485,000 FOR MCCORMICK CROSSING

Nathan Testman presented a loan request from McCormick Crossing Limited Partnership to finance the acquisition and rehabilitation of a forty-eight (48) unit USDA Rural Development Section 515 Rural Rental Housing Program Project currently known as Timber Ridge Apartments, but will be called McCormick Crossing located in Sistersville, West Virginia.

Mr. Testman stated that both this project and the next project on the agenda share several strengths. Both projects will utilize 4% tax credits and will result in the preservation of USDA 515 rental assistance which leads to stabilized occupancy and cash flow. Mr. Testman also stated the preservation of these units extends the USDA rental assistance and the USDA debt and explained that if the units are not preserved, the State will lose these federal resources forever. Also, both projects have requested funding from the Housing Trust Fund which will allow the Fund to meet its commitment deadline obligations to HUD for both this year and next year.

Mr. Testman stated that the McCormick Crossing project consists of nine (9) buildings containing a total of forty-eight (48) units. Twelve (12) units are designated for tenants with income at or below 40% of Area Median Income (AMI) and thirty-six (36) units are designated for tenants with an income at or below 60% of AMI.

Mr. Testman informed the Board that the developer for the project is The Woda Group, Inc. ("Woda"). Woda is one of the largest affordable housing developers in the country and in West Virginia, Woda has produced 40 LIHTC properties for a total of 1,690 units. Given the experience of the developer, staff has a high level of confidence in the development team's ability to develop the proposed project.

Mr. Testman stated that staff is requesting approval of a HOME Loan in the amount of up to \$1,155,000, with interest at the rate of up to 1%, for a term of up to 30 years. The HOME loan will be

secured by the land and improvements known as McCormick Crossing. During construction, the HOME Loan lien will share second position with the Housing Trust Fund lien and a USDA lien. The HOME Loan will also be secured by Borrower's operating and replacement reserves associated with the project, and the corporate guarantees of McCormick Crossing GP, LLC, Woda Construction, Inc. and Woda Cooper Companies, Inc.

Member Sam Kapourales moved to approve the request for the Multifamily HOME loan for the rehabilitation of McCormick Crossing, as presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Mr. Testman explained that after staff prepared the Board materials, the project requested an additional \$100,000 in funding from the Housing Trust Fund for the project and that the total Housing Trust Fund Loan being requested is now \$2,485,000. Mr. Testman stated that staff is requesting approval of the Housing Trust Fund loan financing of up to \$2,485,000, with interest at the rate of up to 1%, for a term of 30 years. During construction, the Housing Trust Fund lien will share second position with the HOME lien and a USDA lien. The Housing Trust Fund Loan will also be secured by Borrower's operating and replacement reserves associated with the project, and the corporate guarantees of McCormick Crossing GP, LLC, Woda Construction, Inc. and Woda Cooper Companies, Inc.

Member Martin moved to approve the request for the HTF loan for the rehabilitation of McCormick Crossing, as presented. His motion was seconded by Member Kapourales, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

APPROVAL OF MULTIFAMILY HOME LOANS AND HOUSING
TRUST FUND LOANS FOR LINDSEY TERRACE, POST GLEN
AND TYGART VALLEY APARTMENTS

Mr. Testman presented multiple loan requests from WV Rural Preservation, LLC to finance a scattered site tax credit project which includes Lindsey Terrace Apartments, located in Martinsburg, Post Glen Apartments, in Oceana, and Tygart Valley Apartments, in Elkins. The borrower requested both construction and permanent financing from the Fund's Multifamily Loan Program and from the Housing Trust Fund Program. Mr. Testman stated that this project has several strengths noted earlier and also has an experienced developer that has another scattered site project in West Virginia.

Mr. Testman stated that the project contains a total of one hundred twelve (112) units. All units are designated for tenants with incomes at or below 60% of AMI. Through the RD 515 Program, eighty-four (84) units benefit from Project Based Rental Assistance ("PBRA"), which covers rent and utility costs that exceed 30% of a tenant's adjusted gross household income. Twenty-three (23) units will be designated as HTF units and comply with HUD HTF Rent Restrictions, which restrict occupancy to tenants with incomes as or below 30% AMI. The project is anticipated to be complete in the spring of 2021 with Lindsey Terrace and Post Glen targeting families and Tygart Valley targeting seniors for occupancy.

Mr. Testman informed the Board that the Multifamily Loan Program construction loan for WV Rural Preservation, LLC will provide funding for all three sites and will be in the amount of up to \$7,000,000, with a fixed interest rate of 4.0%, and a term of 24 months. The construction loan will be secured by a first lien deed of trust on the land and improvements known as Lindsey Terrace Apartments, Post Glen Apartments, and Tygart Valley Apartments, the corporate guarantees of MHDC WV Rural Preservation, Inc., Milford

Housing Development Corporation, Leon N. Weiner & Associates, Inc., and RHPA Developers, LLC, as well as a Letter of Credit equal to 30% of the construction contract.

Mr. Testman informed the Board the proposed Project meets all requirements of the Multifamily Loan Program and the HTF Program. Given the substantial amount of investor equity scheduled to be injected into the Project, the Developer's experience and the projected cash flow of the Project, staff is requesting approval of the construction loan in substantially the form presented.

Representative Bailey moved to approve the request for the Multifamily Loan Program construction loan for the acquisition and rehabilitation of the WV Rural Preservation, LLC – Scattered Sites Project in the amount of up to \$7,000,000, as presented. His motion was seconded by Member David Gardner, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Mr. Testman informed the Board that staff is requesting the approval of three Multifamily Loan Program permanent loans for the WV Rural Preservation, LLC – Scattered Sites Project in the combined amount of \$3,559,000. The proposed loan amounts are: Lindsey Terrace Apartments– up to \$1,790,000, Post Glen Apartments– up to \$1,300,000, and Tygart Valley Apartments– up to \$469,000. All three permanent loans will have a fixed interest rate of 4.5%, for a term of 40 years. Each Multifamily Loan Program permanent loan will also have a USDA 538 Guarantee and will be secured by a first lien deed of trust on the subject property, the operating and replacement reserves associated with the project. Limited, non-recourse guarantees of the corporate owners may also be required.

Representative Bailey moved to approve the request for the Multifamily Loan Program permanent loan for the Project known as Lindsey Terrace in the amount of up to \$1,790,000, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Member Martin moved to approve the request for the Multifamily Loan Program permanent loan for the Project known as Post Glen Apartments in the amount of up to \$1,300,000, as presented. His motion was seconded by Representative Bailey, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Member Kapourales moved to approve the request for the Multifamily Loan Program permanent loan for the Project known as Tygart Valley Apartments in the amount of up to \$469,000, as presented. His motion was seconded by Representative Stowers, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Mr. Testman informed the Board that staff is requesting the approval of three Housing Trust Fund ("HTF") Loans for the WV Rural Preservation, LLC – Scattered Sites Project. The expected loan amounts are: Lindsey Terrace Apartments – up to \$334,001, Post Glen Apartments – up to \$796,999, and Tygart Valley Apartments– up to \$923,000. Mr. Testman stated that the HTF Loans will have an interest rate of 0%, and a term of 30 years. Each HTF Loan will be secured by a second lien deed of trust on the subject property that may be shared by USDA. Each HTF Loan will also be secured by a Letter of Credit equal to 30% of the construction contract during the construction period, and the corporate guarantees of MHDC WV Rural Preservation, Inc., Milford Housing Development Corporation, Leon N. Weiner & Associates, Inc., and RHPA Developers, LLC.

Member Kapourales moved to approve the request for the HTF loan for the Project known as Lindsey Terrace Apartments in the amount of up to \$334,001, as presented. His motion was seconded by Member Martin, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Member John Gianola moved to approve the request for the HTF loan for the Project known as Post Glen Apartments in the amount of up to \$796,999, as presented. His motion was seconded by Representative Stowers, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

Representative Stowers moved to approve the request for the HTF loan for the Project known as Tygart Valley Apartments in the amount of up to \$923,000, as presented. His motion was seconded by Member Kapourales, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

APPROVAL OF HOME LOAN OF UP TO \$544,500 FOR
BENTLEY APARTMENTS

Nathan Testman presented a loan request from Bentley Apartments LP to finance the new construction and permanent loan financing of a twenty-four (24) unit Low-Income Housing Tax Credit Program ("LIHTCP") project known as Bentley Apartments located in Charleston, West Virginia.

Mr. Testman stated that the project consists of eleven (11) two-story buildings containing a total of twenty-four (24) units. Six (6) units are designated for tenants with income at or below 50% of Area Median Income (AMI) and eighteen (18) units are designated for tenants with an income at or below 60% of AMI. Four (4) units will be designated as HOME units and will comply with HUD HOME Rent Restrictions

Mr. Testman informed the Board that the project has a strong development team and noted that the contractor has changed from what is indicated in the Board Packet and is now Jarrett Construction. This was a decision made by the developers and the Fund supports the change.

Mr. Testman stated that staff is requesting approval of a HOME loan in the amount of up to \$544,500, with interest at the rate of up to 1%, for a term of up to 20 years. During construction, the HOME loan will be secured by a second lien deed of trust on the land and improvements known as Bentley Apartments and first lien position deed of trust during the permanent phase of the HOME loan. The HOME loan will also be secured by the operating and replacement reserves associated with the Project and the corporate guarantees of Bentley GP, LLC, Bentley Apartments Associates LLC, and Grant Street Commons LLC, as well as the personal guarantees of Christopher T. Sadd, Mark A. Sadd and Stephen G. Sadd. During the construction period, the HOME loan will also be secured by Payment and Performance Bonds equal to 100% of the construction contract.

Member Gianola moved to approve the request for the HOME loan for the new construction of Bentley Apartments in the amount of up to \$544,500, as presented. His motion was seconded by Member Nistendirk, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

INFORMATIONAL UPDATE – CDBG-DR

Mr. Testman provided a brief update regarding the WV RISE Program. He discussed the status of three projects: 1) Fairmont Apartments, which is new construction in Dunbar, 2) Joseph's Crossing, which is a rehabilitation in Summersville, and 3) Stockton Greene on the West Side of Charleston. He stated that all three projects target a 2021 closing.

EXECUTIVE SESSION TO DISCUSS LEGAL MATTERS
PURSUANT TO W. VA. CODE §6-9A-4(b)(7) AND EXECUTIVE
SESSION TO DISCUSS MATTERS INVOLVING COMMERCIAL
COMPETITION, WHICH IF MADE PUBLIC, MIGHT ADVERSELY
AFFECT THE FINANCIAL OR OTHER INTEREST OF THE STATE
OR ANY POLITICAL SUBDIVISION PURSUANT TO W. VA CODE
§6-9A-4(b)(9)

Member Kapourales moved that the Board enter Executive Session to discuss matters pursuant to W. Va. Code §6-9A-4(b)(7) and W. Va. Code §6-9A-4(b)(9). His motion was seconded by Member Martin, and, upon the affirmative vote of the ten (10) members present, the Chair declared the motion adopted.

The Board adjourned into Executive Session at 9:49 a.m.

The Executive Session concluded at 10:15 a.m. Chair Urling stated that no action took place during the Executive Session.

CONSIDERATION OF SUPPORT FOR AML GRANT TO FCURA
REGARDING WOLF CREEK PARK

Member Gardner moved the approval of providing a letter support to the Fayette County Urban Renewal AML grant application for Wolf Creek Park. His motion was seconded by Member Kapourales, and, upon the affirmative vote of the ten (10) members present, the Chair declared then motion adopted.

ADJOURNMENT

There being no further business, Member Nistendirk moved to adjourn the meeting. His motion was seconded by Member Kapourales. Meeting adjourned at 10:17 a.m.


Martha Lilly, Assistant Secretary

WEST VIRGINIA HOUSING DEVELOPMENT FUND BOND AUTHORIZING RESOLUTION

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, EXECUTION AND DELIVERY OF THE ISSUER'S MULTIFAMILY HOUSING REVENUE BONDS (MCCORMICK CROSSING PROJECT) SERIES 2020 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,550,000 ON ONE OR MORE ISSUANCE DATES AS DRAW-DOWN BONDS; PROVIDING PARAMETERS FOR ESTABLISHING THE PROVISIONS FOR REDEMPTION AND MATURITY OF AND RATE OF INTEREST ON AND OTHER TERMS AND PROVISIONS OF SUCH BONDS; APPOINTING THE EXECUTIVE DIRECTOR AS THE REPRESENTATIVE OF THE ISSUER TO APPROVE THE FINAL TERMS AND PRICING OF THE BONDS WITHIN SUCH PARAMETERS; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT WITH RESPECT TO THE BONDS; APPOINTING BOND COUNSEL, GENERAL COUNSEL AND A FINANCIAL ADVISOR; APPROVING THE ALLOCATION OF THE ISSUER'S PRIVATE ACTIVITY BOND VOLUME CAP TO THE BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND THE TAKING OF ALL OTHER ACTIONS RELATING TO SUCH FINANCING.

WHEREAS, the West Virginia Housing Development Fund (the "Issuer"), under Chapter 31, Article 18 of the Code of West Virginia, 1931, as amended (the "Act"), has plenary power and authority to issue revenue bonds to finance the cost of the acquisition, construction, improvement, rehabilitation and equipping of residential housing projects;

WHEREAS, McCormick Crossing Limited Partnership, an Ohio limited partnership (the "Borrower"), has requested that the Issuer assist the Borrower in the acquisition, construction, improvement, rehabilitation and equipping of privately owned real and personal property known as McCormick Crossing and containing approximately 48 affordable living units in a multi-family rental housing facility, located at 230 Wood Street, Sistersville, Tyler County, West Virginia, and the payment of certain costs and expenses related thereto (collectively, the "Project");

WHEREAS, the Issuer has found and determined and does hereby find and determine that, in order to provide adequate and improved residential housing for citizens of the State of West Virginia, at reasonable cost, it is desirable and appropriate for the Issuer to assist in the financing of the Project;

WHEREAS, the Borrower has requested that the Issuer issue Multifamily Housing Revenue Bonds (McCormick Crossing Project) Series 2020 (collectively, the "Bonds") in an aggregate principal amount not to exceed \$3,550,000 on one or more issuance dates as draw-down bonds, for the purpose of assisting in the financing of the Project;

WHEREAS, the Issuer and the Borrower intend for the interest on the Bonds to be excluded from gross income of the holder for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Issuer's private activity bond volume cap under Section 146 of the Code is required to be allocated to the Bonds, and the Issuer desires that such allocation be made as described herein;

WHEREAS, the Bonds will be issued by the Issuer pursuant to a Financing Agreement (the "Financing Agreement") among the Issuer, the Borrower and KeyBank National Association as direct purchaser of the Bonds (the "Holder"), will be secured by the Pledged Revenues as set forth in the Financing Agreement, and will be sold to the Holder pursuant to the Financing Agreement;

WHEREAS, the Borrower has requested that the Issuer lend the proceeds of the Bonds to the Borrower (the "Loan"), and the proceeds of the Bonds will be used to accomplish the Project;

WHEREAS, the Borrower has agreed to repay the Loan by making Loan Payments (as defined in the Financing Agreement) at the times and in the amounts set forth in the promissory note to be executed by the Borrower and delivered to the Holder (the "Note") for application to the payment of the principal of and interest on the Bonds as and when due;

WHEREAS, the Governor of the State of West Virginia has given his direction to the Issuer, pursuant to and in accordance with §5-1-28 of the Code of West Virginia, 1931, as amended, to issue the Bonds, and has given his approval for the issuance of the Bonds after a public hearing following reasonable public notice as required by Section 147(f) of the Code;

WHEREAS, certain actions are required to be taken by the Issuer as a prerequisite to the issuance of the Bonds, and the Issuer desires to take such actions; and

WHEREAS, the enactment of this Resolution constitutes action giving final approval for the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE WEST VIRGINIA HOUSING DEVELOPMENT FUND (THE "BOARD OF DIRECTORS") AS FOLLOWS:

Section 1. Approval of the Project and the Bonds. It is hereby found and determined that the Bonds should be issued, that the financing of the Project for the Borrower is a public purpose of the Issuer, promotes the public purposes under the Act and is in the public interest and that the Project satisfies the requirements of the Act.

Section 2. Approval of Allocation of Volume Cap to Bonds. The allocation to the Bonds of a portion of the Issuer's unused private activity bond volume cap for calendar year 2017, for which the Issuer duly made a carryforward election, is hereby approved.

Section 3. Approval of Financing Agreement. A draft form of the Financing Agreement has been prepared and presented to the Issuer. The Financing Agreement substantially in the form submitted at this meeting shall be and the same is hereby approved. The Executive Director is authorized to negotiate and approve the final form and content of the Financing Agreement under such terms and conditions as are acceptable to the Executive

Director, the Borrower and the Holder, with such changes, insertions and omissions as may be approved by the Executive Director. The Executive Director, Assistant Secretary or other authorized officer of the Issuer are hereby authorized, empowered and directed to execute and deliver the Financing Agreement prior to or simultaneously with the issuance of the Bonds for and on behalf of the Issuer, in the form and upon those terms and conditions as approved by the Executive Director, and such approval shall be conclusively evidenced by the execution and delivery of the Financing Agreement by the Executive Director, Assistant Secretary or other authorized officer of the Issuer. The Executive Director and Assistant Secretary are hereby authorized, empowered and directed to sell and deliver the Bonds on one or more issuance dates to the Holder as set forth in the Financing Agreement.

Section 4. Issuance of and Terms of Bonds. To accomplish the purpose of the Act, and to assist in the financing of the Project, the issuance of the Bonds in an aggregate principal amount not to exceed \$3,550,000 on one or more issuance dates, as draw-down bonds, is hereby authorized and directed. The Bonds shall be issued as drawn down in accordance with the Financing Agreement. The Bonds shall be dated a date or dates to be established in accordance with the Financing Agreement, shall mature no later than December 1, 2022, and shall bear interest at a daily variable rate to be established in accordance with the Financing Agreement, not to exceed 15%, with the dated date(s), maturity date(s), interest rate(s), redemption provisions and other terms of the Bonds to be approved by the Executive Director and set forth in the Financing Agreement, such approval to be evidenced by the execution of the Financing Agreement as described above. The Bonds shall be in the denominations and in registered form, be payable in the medium of payment and at such places, be subject to redemption prior to maturity and be entitled to payment, all as provided in the Financing Agreement as finally approved and executed as described above. The Bonds shall be sold to and purchased directly by the Holder pursuant to the Financing Agreement. All of the provisions of the Financing Agreement, when executed and delivered as authorized herein, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated herein and shall be in force and effect from the date of the execution thereof.

Section 5. Bonds to Constitute Limited Obligations. The Bonds are secured by and payable from Pledged Revenues as set forth in the Financing Agreement, subject only to the provisions of the Financing Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Financing Agreement. The Bonds are special, limited obligations of the Issuer and are not a lien or charge upon the funds or property of the Issuer, except to the extent of the Pledged Revenues. The Bonds shall not constitute general obligations of the Issuer or the State of West Virginia and under no circumstances shall the Bonds be payable from, nor shall any holder thereof have any rightful claim to, any income, revenues, funds or assets of the Issuer other than as set forth in the Financing Agreement. The Bonds shall not be a moral obligation of the Issuer or in any way be secured by any assets of the Issuer other than as set forth in the Financing Agreement.

Section 6. Appointments. At the request of the Borrower, the Issuer hereby appoints the following:

(a) Hawkins Delafield & Wood LLP (“Bond Counsel”) is hereby appointed as bond counsel to the Issuer in connection with the issuance of the Bonds. It is understood by the

Issuer that Bond Counsel will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

(c) Jackson Kelly PLLC (“General Counsel”) is hereby appointed as general counsel to the Issuer in connection with the issuance of the Bonds. It is understood by the Issuer that General Counsel will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

(d) Piper Sandler & Co. (the “Financial Advisor”) is hereby appointed as financial advisor to the Issuer in connection with the issuance of the Bonds. It is understood by the Issuer that the Financial Advisor will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

Section 7. Authentication of Bonds. An authorized officer of the Issuer is hereby directed to authenticate the Bonds in accordance with the Financing Agreement and to deliver them upon the order of the Executive Director.

Section 8. Investment of Funds. Without further authorization from the Issuer, funds held under the Financing Agreement shall be invested and reinvested as may be permitted by the Financing Agreement.

Section 9. No Continuing Disclosure Obligations. The Issuer shall have no responsibility to undertake or complete any continuing disclosure related to the Bonds.

Section 10. Indemnification. Subject to the provisions of, and as set forth in, the Financing Agreement, the Borrower shall defend, indemnify and hold the Issuer and its officials harmless from and against any and all loss, cost, expense, claim or action arising out of or connected with the adoption of this Resolution and the consummation of the transactions provided for herein and contemplated hereunder.

Section 11. Personal Liability. None of the present or future employees, officers or Board of Directors of the Issuer, or any person executing the Bonds or the documents relating thereto, shall be personally liable for the Bonds or any other obligation relating to the issuance of the Bonds or be subject to any personal liability by reason of the issuance of the Bonds.

Section 12. Formal Actions. The Issuer hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in open meetings of the Issuer, and that all deliberations of the Issuer which resulted in formal action were taken in meetings open to the public, in full compliance with all applicable notice and other legal requirements.

Section 13. Incidental Actions. The Executive Director, Assistant Secretary or other authorized officer of the Issuer are hereby authorized and directed to execute and deliver a tax certificate with the Borrower (the “Tax Certificate”), a land use restriction agreement by and among the Issuer, the Holder and the Borrower (the “Regulatory Agreement”), and such other documents, agreements, instruments and certificates and to take such other actions as may be necessary or appropriate in order to effectuate the execution, delivery and receipt, or any thereof,

of the Financing Agreement and the issuance of the Bonds, and for carrying out the transactions contemplated therein, all in accordance with the Act, the Code and this Resolution. The execution, delivery and due performance, as applicable, of the Financing Agreement, the Tax Certificate, the Regulatory Agreement and such other documents, agreements, instruments and certificates as noted above are hereby in all respects approved, authorized, ratified and confirmed, including all acts heretofore taken in connection with the issuance of the Bonds.

Section 14. Expenses and Fees. All expenses incurred by the Issuer in connection with the issuance of the Bonds, including its legal fees, any administrative fees of the Issuer and the issuance fee as specified in the Issuer's then current Debt Management Policy, shall be paid to or reimbursed to the Issuer from the proceeds of the Bonds or other funds available to the Borrower.

Section 15. Governing Law. The laws of the State of West Virginia shall govern the construction of this Resolution and of all Bonds issued in accordance with the provisions of the Financing Agreement.

Section 16. Severability. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 17. Effective Date; Repeal of Inconsistent Resolutions. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed.

Adopted this 22nd day of July, 2020.

WEST VIRGINIA HOUSING DEVELOPMENT
FUND

By: _____
Title:

CERTIFICATION

I, _____, duly appointed Assistant Secretary of the West Virginia Housing Development Fund, do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the Board of Directors of the West Virginia Housing Development Fund at its meeting of the Board of Directors on July 22, 2020.

Dated: _____, 2020

Assistant Secretary

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
BOND AUTHORIZING RESOLUTION**

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, EXECUTION AND DELIVERY OF NOT TO EXCEED \$7,255,000 AGGREGATE PRINCIPAL AMOUNT OF THE ISSUER'S MULTIFAMILY HOUSING REVENUE BONDS SERIES 2020 (LINDSEY TERRACE, POST GLEN AND TYGART VALLEY APARTMENTS); PROVIDING PARAMETERS FOR ESTABLISHING THE PRINCIPAL AMOUNT, PROVISIONS FOR REDEMPTION AND MATURITY OF, AND RATE OF INTEREST ON AND OTHER TERMS AND PROVISIONS OF SUCH BONDS; APPOINTING THE EXECUTIVE DIRECTOR AS THE REPRESENTATIVE OF THE ISSUER TO APPROVE THE FINAL TERMS AND PRICING OF THE BONDS WITHIN SUCH PARAMETERS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, A BOND LOAN AGREEMENT AND A BOND PURCHASE AGREEMENT WITH RESPECT TO THE BONDS; APPROVING AN OFFICIAL STATEMENT AND AUTHORIZING ANY NECESSARY SUPPLEMENTS AND AMENDMENTS THERETO, WITH RESPECT TO THE BONDS; APPOINTING BOND COUNSEL, GENERAL COUNSEL, AN UNDERWRITER, A FINANCIAL ADVISOR AND A TRUSTEE, REGISTRAR AND PAYING AGENT FOR THE BONDS; APPROVING THE ALLOCATION OF THE ISSUER'S PRIVATE ACTIVITY BOND VOLUME CAP TO THE BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND THE TAKING OF ALL OTHER ACTIONS RELATING TO SUCH FINANCING.

WHEREAS, the West Virginia Housing Development Fund (the "Issuer"), under Chapter 31, Article 18 of the Code of West Virginia, 1931, as amended (the "Act"), has plenary power and authority to issue revenue bonds to finance the cost of the acquisition, rehabilitation and equipping of residential housing projects;

WHEREAS, WV Rural Preservation, LLC, a Delaware limited liability company (the "Borrower"), has requested that the Issuer assist the Borrower in the acquisition, rehabilitation and equipping of (i) a 40-unit affordable residential rental project with units available for individuals and families, known as Lindsey Terrace Apartments, located at 11 Advantage Drive, Martinsburg, Berkeley County, West Virginia ("Lindsey Terrace"); (ii) a 40-unit affordable residential rental project with units available for seniors and for individuals and families, known as Post Glen Apartments ("Post Glen"), located at 300 Lugar Lane, Oceana, Wyoming County, West Virginia; and (iii) a 32-unit affordable residential rental project with units available for seniors, known as Tygart Valley Apartments, located at 330 Wilson Lane, Elkins, Randolph County, West Virginia ("Tygart Valley"; together with Lindsey Terrace and Post Glen, the "Property"), and the payment of certain costs and expenses related thereto (collectively, the "Project");

WHEREAS, the Issuer has found and determined and does hereby find and determine that, in order to provide adequate and improved residential housing for citizens of the

State of West Virginia, at reasonable cost, it is desirable and appropriate for the Issuer to assist in the financing of the Project;

WHEREAS, the Borrower has requested that the Issuer issue not to exceed \$7,255,000 aggregate principal amount of Multifamily Housing Revenue Bonds Series 2020 (Lindsey Terrace, Post Glen and Tygart Valley Apartments) (collectively, the “Bonds”) for the purpose of assisting in the financing of the Project;

WHEREAS, the Issuer’s private activity bond volume cap is required to be allocated to the Bonds, and the Issuer desires that such allocation be made as described herein;

WHEREAS, the Bonds will be issued by the Issuer pursuant to a Trust Indenture (the “Indenture”) between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and will be secured by the revenues pledged thereunder;

WHEREAS, proceeds of the Bonds will be used to assist in the financing of the Project by the Issuer making a loan to the Borrower in the amount of the Bonds, pursuant to the Bond Loan Agreement between the Issuer and the Borrower (the “Bond Loan Agreement”);

WHEREAS, the Bonds will be sold pursuant to a Bond Purchase Agreement (the “Purchase Agreement”), among the Issuer, the Borrower and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), to be dated as of the date of execution and delivery of the Certificate of Determinations, as hereinafter defined;

WHEREAS, it is anticipated that the Issuer will deliver and the Underwriter will distribute an official statement and any necessary supplements and amendments thereto (the “Official Statement”), in connection with the marketing and sale of the Bonds;

WHEREAS, the Governor of the State of West Virginia has given his direction to the Issuer, pursuant to and in accordance with §5-1-28 of the Code of West Virginia, 1931, as amended, to issue the Bonds, and has given his approval for the issuance of the Bonds after a public hearing following reasonable public notice as required by the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, certain actions are required to be taken by the Issuer as a prerequisite to the issuance and sale of the Bonds, and the Issuer desires to take such actions; and

WHEREAS, the enactment of this Resolution constitutes action giving final approval for the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE WEST VIRGINIA HOUSING DEVELOPMENT FUND (THE “BOARD OF DIRECTORS”) AS FOLLOWS:

Section 1. Approval of the Project and the Bonds. It is hereby found and determined that the Bonds should be issued, that the financing of the Project for the Borrower is a public purpose of the Issuer, promotes the public purposes under the Act and is in the public interest and that the Project satisfies the requirements of the Act.

Section 2. Approval of Allocation of Volume Cap to Bonds. The allocation to the Bonds of a portion of the Issuer's unused private activity bond volume cap for calendar year 2017 is hereby approved.

Section 3. Approval of Bond Documents. Draft forms of the Indenture, the Bond Loan Agreement, the Purchase Agreement and the Official Statement (hereinafter collectively referred to as the "Bond Documents") have been prepared and presented to the Issuer. The Bond Documents substantially in the form submitted at this meeting shall be and the same are hereby approved. The Executive Director is authorized to negotiate and approve the final forms and content of the Bond Documents under such terms and conditions as are acceptable to the Executive Director and the Borrower, with such changes, insertions and omissions as may be approved by the Executive Director. The Executive Director and Assistant Secretary are hereby authorized, empowered and directed to execute (as applicable) and deliver the appropriate Bond Documents prior to or simultaneously with the issuance of the Bonds for and on behalf of the Issuer, in the forms and upon those terms and conditions as approved by the Executive Director, and such approval shall be conclusively evidenced by the execution and/or delivery, as applicable, of the Bond Documents by the Executive Director, Assistant Secretary or other authorized officer of the Issuer.

Section 4. Issuance of and Terms of Bonds. To accomplish the purpose of the Act, and to assist in the financing of the Project, the issuance of the Bonds in the principal amount of not to exceed \$7,255,000 is hereby authorized and directed. The Bonds shall be dated a date to be established in accordance with the Indenture, shall mature no later than September 1, 2025, and shall bear interest at a fixed rate to be established in accordance with the Indenture, not to exceed 12%, with the final principal amount, dated date, maturity date, interest rate, redemption provisions and other terms of the Bonds to be approved by the Executive Director and set forth in a Certificate of Determinations (the "Certificate of Determinations") to be dated the date of the Purchase Agreement and delivered the date of delivery of the Bonds, such approval to be evidenced by the execution by the Executive Director of the Certificate of Determinations. The Bonds shall be in the denominations and in registered form, be payable in the medium of payment and at such places, be subject to redemption prior to maturity and be entitled to payment pursuant to the Indenture, all as provided in the Indenture as finally approved by the Executive Director as described above. The Bonds shall be sold to the Underwriter pursuant to the Purchase Agreement at such price as may be approved by the Executive Director of the Issuer and by the Borrower, such approval to be evidenced by the execution by the Executive Director and by the Borrower of the Purchase Agreement setting forth such price. All of the provisions of the Indenture and the Certificate of Determinations, when executed and delivered as authorized herein, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated herein and shall be in force and effect from the date of the execution thereof.

Section 5. Bonds to Constitute Limited Obligations. The Bonds are secured by and payable from payments under the Bond Loan Agreement that are available to the Trustee pursuant to the Indenture, and the funds and accounts pledged under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are further secured by an assignment to the Trustee of the right, title and interest of the Issuer in the Bond Loan Agreement. The

Bonds are special, limited obligations of the Issuer and are not a lien or charge upon the funds or property of the Issuer, except to the extent of the aforementioned pledge and assignment under the Indenture. The Bonds shall not constitute general obligations of the Issuer or the State of West Virginia and under no circumstances shall the Bonds be payable from, nor shall the holders thereof have any rightful claim to, any income, revenues, funds or assets of the Issuer other than those pledged under the Indenture as security for the payment of the Bonds. The Bonds shall not be a moral obligation of the Issuer or in any way be secured by any assets of the Issuer other than as set forth in the Indenture.

Section 6. Appointments. At the request of the Borrower, the Issuer hereby appoints the following:

(a) Stifel, Nicolaus & Company, Incorporated is hereby appointed as the underwriter for the Bonds. The Executive Director is hereby authorized and directed, upon advice of counsel, to enter into the Purchase Agreement with the Underwriter and the Borrower. It is understood by the Issuer that the Underwriter will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

(b) Hawkins Delafield & Wood LLP (“Bond Counsel”) is hereby appointed as bond counsel to the Issuer in connection with the issuance of the Bonds. It is understood by the Issuer that Bond Counsel will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

(c) Jackson Kelly PLLC (“General Counsel”) is hereby appointed as general counsel to the Issuer in connection with the issuance of the Bonds. It is understood by the Issuer that General Counsel will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

(d) Piper Sandler & Co. (the “Financial Advisor”) is hereby appointed as financial advisor to the Issuer in connection with the issuance of the Bonds. It is understood by the Issuer that the Financial Advisor will be compensated only from the proceeds of the Bonds or other funds available to the Borrower.

(e) U.S. Bank National Association is hereby appointed as trustee, registrar and paying agent for the Bonds under the Indenture.

Section 7. Authentication of Bonds. The Trustee is hereby requested to authenticate and register the Bonds in accordance with the Indenture and to deliver them upon the order of the Executive Director.

Section 8. Investment of Funds. The Trustee shall be, by virtue of this Resolution and without further authorization from the Issuer, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Indenture, which by the terms of the Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture at the direction of the Borrower, all subject to the terms and limitations contained in the Indenture.

Section 9. Continuing Disclosure. The Issuer shall have no responsibility to undertake or complete any continuing disclosure related to the Bonds, and such responsibility shall be solely that of the Borrower or its designated agent.

Section 10. Official Statement.

(a) The distribution by the Underwriter of a Preliminary Official Statement in such form as shall be approved and “deemed final” by the Executive Director in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission is hereby authorized and approved.

(b) The preparation and distribution of an Official Statement relating to the Bonds is hereby authorized in such form as may be approved by the Executive Director, such approval to be evidenced by the delivery by the Issuer of such Official Statement; and the delivery by the Underwriter to prospective purchasers of the Bonds of the Official Statement is hereby authorized and approved. The Executive Director shall deliver the Official Statement with such changes, insertions and omissions as may be approved by the Executive Director. In delivering the Official Statement, the Executive Director shall with respect to all matters, other than that portion of the Official Statement which relates to the Issuer, be entitled to rely upon the certificate of the Borrower with respect to such Official Statement. The delivery of the Official Statement by the Issuer in reliance upon the certificate of the Borrower shall be conclusive evidence of any approval required by this Section.

Section 11. Indemnification. Subject to the provisions of, and as set forth in, the Bond Loan Agreement, the Borrower shall defend, indemnify and hold the Issuer and its officials harmless from and against any and all loss, cost, expense, claim or action arising out of or connected with the adoption of this Resolution and the consummation of the transactions provided for herein and contemplated hereunder.

Section 12. Personal Liability. None of the present or future employees, officers or Board of Directors of the Issuer, or any person executing the Bonds or the documents relating thereto, shall be personally liable for the Bonds or any other obligation relating to the issuance of the Bonds or be subject to any personal liability by reason of the issuance of the Bonds.

Section 13. Formal Actions. The Issuer hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in open meetings of the Issuer, and that all deliberations of the Issuer which resulted in formal action were taken in meetings open to the public, in full compliance with all applicable notice and other legal requirements.

Section 14. Incidental Actions. The Executive Director, Assistant Secretary or other authorized officer of the Issuer are hereby authorized and directed to execute and deliver a tax certificate (the “Tax Certificate”), a regulatory agreement by and among the Issuer, the Borrower and the Trustee (the “Regulatory Agreement”), and such other documents, agreements, instruments and certificates and to take such other actions as may be necessary or appropriate in order to effectuate the execution, delivery and receipt, or any thereof, of the Bond Documents

and the issuance and sale of the Bonds, and for carrying out the transactions contemplated therein, all in accordance with the Act, the Code and this Resolution, including any action necessary with respect to The Depository Trust Company or the blue sky laws of any state. The execution, delivery and due performance, as applicable, of the Bond Documents, the Tax Certificate, the Regulatory Agreement and such other documents, agreements, instruments and certificates as noted above are hereby in all respects approved, authorized, ratified and confirmed, including all acts heretofore taken in connection with the issuance of the Bonds.

Section 15. Expenses and Fees. All expenses incurred by the Issuer in connection with the issuance of the Bonds, including any administrative fees of the Issuer and the issuance fee as specified in the Issuer's then current Debt Management Policy, shall be paid to or reimbursed to the Issuer from the proceeds of the Bonds or other funds available to the Borrower.

Section 16. Governing Law. The laws of the State of West Virginia shall govern the construction of this Resolution and of all Bonds issued under the Indenture.

Section 17. Severability. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 18. Effective Date; Repeal of Inconsistent Resolutions. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed.

Adopted this 22nd day of July, 2020.

WEST VIRGINIA HOUSING DEVELOPMENT
FUND

By: _____
Executive Director

CERTIFICATION

I, _____, duly appointed Assistant Secretary of the West Virginia Housing Development Fund, do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the Board of Directors of the West Virginia Housing Development Fund at its meeting of the Board of Directors on July 22, 2020.

Dated: _____, 2020

Assistant Secretary