

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
WEST VIRGINIA HOUSING DEVELOPMENT FUND
September 23, 2020

The regular meeting of the Board of Directors of the West Virginia Housing Development Fund (the "Fund") was held on Wednesday, September 23, 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
John Gianola, Member
Sam Kapourales, Member
Patrick Martin, Member
Bob Nistendirk, 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
Wendy McCuskey, Member

Staff present:

Erica Boggess, Executive Director
Julie Davis, Deputy Director- Production
George Gannon, Communications Administrator
Chad Le port, Division Manager - Accounting and Finance
Martha Lilly, Legal Assistant
Alicia Massie, Legal Counsel - Compliance
Kelley Ridling, Senior Manager - Internal Audit
Lori Ryan, Executive Assistant
Kristin Shaffer, Senior Legal Counsel
Nathan Testman, Senior Division Manager - Multifamily Lending
Dorothy White, Federal Compliance Officer
Crystal Toney, Deputy Director-Administration
Michelle Wilshere, Senior Manager - Low Income Housing Tax Credit Program

Others Present:

Rob Adams - Brown Edwards
Anthony Carpenter - Brown Edwards

Sam me Gee - Jackson Kelly PLLC
Kelly Goes - Jackson Kelly PLLC
Staunton Gorrell - Brown Edwards

APPROVAL OF THE MINUTES OF AUGUST 26, 2020,
MEETING

Representative Norman Bailey moved the approval of the minutes of the August 26, 2020 meeting. His motion was seconded by Member Bob Nistendirik, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

FINANCIAL STATEMENTS FOR THE PERIOD ENDED AUGUST
31,2020

Chad Leport presented the financial statements for the period ended August 31, 2020. The financials were accepted as presented.

CONSIDERATION/APPROVAL OF RELEASE OF THE AUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30,
2020

Mr. Leport informed the Board that three of the four annual audit reports have been issued by the Fund as of June 30, 2020. The Fund received unmodified opinions on all the financial statements. The Federal Financial Assistance Audit is not finished and will be presented to the Board upon completion. Mr. Leport noted that the Audit Committee approved the Fiscal Year 2020 Audited Financial Statements, the Audited Financial Statements' and Other Information, and the Fiscal Year 2020 Comprehensive Annual Financial Statement and approve the release to the public and other necessary entities at its September 23, 2020 meeting.

Member Gianola informed the Board that Mike Murphy gave a presentation regarding the Fund's cyber security policies to the Audit Committee.

CONSIDERATION OF BOND INDUCEMENT RESOLUTION FOR
CONDUIT FINANCING OF UP TO \$7,000,000 FOR THE NEW
CONSTRUCTION OF FAIRLAWN APARTMENTS

Julie Davis presented a request for approval of a Bond Inducement Resolution on behalf of Fairlawn Senior Associates, LLC. The proposed transaction will involve the new construction of Fairlawn Apartments, a 70-unit affordable residential rental project for seniors to be located in Dunbar (the "Property"). The Fund has partnered with the West Virginia Development Office to administer a portion of the CDBG-DR funds and 4% tax credits through a combined application process of the CDBG-DR WV Multifamily Rental Housing Program and the Low-Income Housing Tax Credit Program. As a requirement of receiving 4% tax credits, tax-exempt bonds must be issued for financing of the new construction of this Property.

Ms. Davis explained that the Fund is being asked to serve as the conduit bond issuer on behalf of Fairlawn Senior Associates, LLC, and the bond amount requested is not to exceed \$7,000,000. The Fund, as

the conduit issuer, will provide access to the tax-exempt bond market. Ms. Davis stated that the bonds will not be a general or moral obligation of the Fund, and the bonds are not a debt of the State. Any default by the borrower will not affect the Fund's ratings. The bonds will use bond volume cap and count against the Fund's maximum bonds outstanding limit of \$1.25 billion, and Ms. Davis stated that the Fund has sufficient bond volume cap to meet this request. The Fund will earn a financing fee of 20 basis points of the issuance amount and all costs of issuance will be paid by the Borrower.

Ms. Davis recommended the Board's approval of the Bond Inducement Resolution with Fairlawn Senior Associates, LLC. If approved, Ms. Davis stated that staff and the financing team will begin the preliminary steps of the financing transaction, and staff will return to the Board for approval of the final bond authorizing resolution before issuing the bonds.

Representative Josh Stowers moved approval of the Bond Inducement Resolution on behalf of Fairlawn Senior Associates, LLC for conduit financing of up to \$7,000,000 for the new construction of Fairlawn Apartments. His motion was seconded by Member Patrick Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

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

ANNUAL ELECTION OF OFFICERS AND APPOINTMENT OF ASSISTANT OFFICERS

Erica Boggess stated that, under West Virginia Code §§ 31-18-4 (g) and 31-18-5 (d), the Board shall annually elect a Vice-Chair, Secretary and Treasurer from its membership. The Chair of the Board is the Governor or his designee, Vice-Chair is currently David Gardner, Secretary is Sam Kapourales, and Treasurer is the State Treasurer John Perdue.

Member Sam Kapourales requested that he not be nominated as Secretary.

Member John Gianola moved to nominate David Gardner as Vice-Chair, Bob Nistendirk as Secretary, and State Treasurer John Perdue as Treasurer. His motion was seconded by Member Martin and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Member Gianola moved to approve the nominations of David Gardner as Vice-Chair, Bob Nistendirk as Secretary, and State Treasurer John Perdue as Treasurer. His motion was seconded by Member Martin, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted.

Ms. Boggess noted that, under Article V, Sections 3 and 4 of the Fund's Bylaws, the Board may appoint or designate one or more Assistant Secretaries and Assistant Treasurers.

Ms. Boggess stated that staff recommends the reappointment of Crystal Toney and Julie Davis as Assistant Treasurers, and the reappointment of Kristin Shaffer and Martha Lilly as Assistant Secretaries.

Member Gianola moved to reappoint Crystal Toney and Julie Davis as Assistant Treasurers and to reappoint Kristin Shaffer and Martha Lilly as Assistant Secretaries. His motion was seconded by Member Martin, and, upon the approval of the eight (8) members present, the Chair declared the motion adopted.

APPROVAL OF SIGNATORIES

Kristin Shaffer stated that the Board previously adopted a resolution authorizing full signature authority to Erica Boggess, Crystal Toney, Julie Davis and Kristin Shaffer and that the resolution also listed the employees serving as Assistant Treasurers and Assistant Secretaries at that time. Ms. Shaffer explained that staff requests the Board adopt a new resolution confirming the full signature authority of Erica Boggess, Crystal Toney, Julie Davis and Kristin Shaffer and authorizing the current employees serving as Assistant Treasurers and Assistant Secretaries to perform the duties associated with those positions.

Member Martin moved the approval of signatories. His motion was seconded by Member Gianola, and, upon the approval of the eight (8) members present, the Chair declared the motion adopted.

A copy of the Signatory Resolution is attached as Exhibit B

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 TOW. VA CODE §6-9A-4(b)(9)

Member Gianola moved that the Board enter 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). His motion was seconded by Member Sam Kapourales, and, upon the affirmative vote of the eight (8) members present, the Chair declared the motion adopted. The Board adjourned into Executive Session at 9:20 a.m.

The Executive Session concluded at 9:59 a.m. Chair Urling stated that no action took place during the Executive Session.

ADJOURNMENT

There being no further business, Representative Nistendirik moved to adjourn the meeting. His motion was seconded by Member Gianola. Meeting adjourned at 10:00 a.m.



Martha Lilly, Assistant Secretary

EXHIBIT A

WEST VIRGINIA HOUSING DEVELOPMENT FUND

BOND INDUCEMENT RESOLUTION

RESOLUTION PRELIMINARILY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$7,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE ISSUER'S REVENUE BONDS

WHEREAS, the West Virginia Housing Development Fund, a public body corporate and governmental instrumentality of the State of West Virginia (the "Issuer"), under Chapter 31, Article 18 of the Code of West Virginia, 1931, as amended (the "Act"), has plenary power and authority to finance and refinance residential housing projects by making loans to others to provide funds for the refinancing, acquisition, construction and improvement of such residential housing projects and to issue revenue bonds for the purpose of defraying the costs of refinancing, acquiring, constructing and improving such projects;

WHEREAS, Fairlawn Senior Associates, LLC, a Delaware limited liability company (the "Borrower"), has requested that the Issuer assist the Borrower in financing the acquisition, construction, furnishing and equipping of Fairlawn Apartments, located at 6000 Fairlawn Avenue, Dunbar, Kanawha County, West Virginia (the "Property"), and the payment of certain costs and expenses related thereto (collectively, the "Project") (A detailed description of the Property and Project is attached as Exhibit A.);

WHEREAS, the Borrower has requested that the Issuer issue its revenue bonds in an aggregate principal amount not to exceed \$7,000,000 (the "Bonds") pursuant to an indenture, financing agreement or other like document (the "Indenture") between the Issuer and a trustee, fiscal agent or other like entity named therein (the "Trustee"), and/or the Borrower and the holder of the Bonds, such Bonds to be secured under such Indenture, and the proceeds of such Bonds to be used by the Issuer for the purpose of providing funds to finance costs of the Project;

WHEREAS, the Borrower has requested that the Issuer lend the proceeds of the Bonds to the Borrower pursuant to a financing agreement, loan agreement or other like instrument (the "Loan Agreement") between the Issuer and the Borrower and/or the holder of the Bonds;

WHEREAS, the financing of the Project by the Issuer will promote and assist the Borrower to provide affordable housing to the citizens of West Virginia and the financing of the Project is a public purpose of the Issuer under the Act;

WHEREAS, it is intended that this Resolution shall constitute a "bond resolution or some other official action" in respect of the issuance of the Bonds for the Project and related reimbursement purposes under the income tax regulations promulgated by the United

States Treasury Department (the "Regulations") under the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Bonds, together with the interest thereon, shall be secured by loan payments from the Borrower under the Loan Agreement, revenues of the Project, a mortgage loan or loans on the Property and/or a form or forms of credit enhancement, and under no circumstances will the Bonds be payable from funds of the Issuer; and

WHEREAS, it is now necessary to provide for the preparation of the Indenture, the Loan Agreement and other documents with respect to the issuance and sale of the Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE WEST VIRGINIA HOUSING DEVELOPMENT FUND, AS FOLLOWS:

1. It is hereby found and determined, subject to a public hearing to be held prior to issuance of the Bonds, that proceeding with the financing of the Project for the Borrower is a public purpose of the Issuer and is in the public interest.
2. The Issuer hereby determines it intends to issue, pursuant to the Act, the Bonds, if so requested by the Borrower, in an aggregate principal amount to be agreed upon by the Issuer and the Borrower, not to exceed \$7,000,000, and to finance qualifying costs of the Project (which may include reimbursing the Borrower for the acquisition, construction, furnishing and equipping of the Property), such Bonds to be secured by and payable from loan payments from the Borrower under the Loan Agreement, revenues of the Project, a mortgage loan or loans on the Property and/or a form or forms of credit enhancement (such as cash collateral, a mortgage-backed security of a government-sponsored enterprise, such as Fannie Mae, or a credit facility), and which Bonds may be additionally secured by such instruments as the Borrower and the Issuer shall agree.
3. The Bonds shall bear such dates, mature at such time or times, bear interest at such rate or rates and contain such other terms and provisions as shall be determined by subsequent action of the Issuer and approved by the Borrower. The Bonds shall be special limited obligations of the Issuer, and it is expressly provided that any and all Bonds and the interest thereon, as may be so issued, shall in no way constitute or become an indebtedness of the Issuer or the State of West Virginia and shall never give rise to any pecuniary liability of the Issuer or the State of West Virginia. The Bonds shall be secured by and payable from loan payments from the Borrower under the Loan Agreement, revenues of the Project, a mortgage loan or loans on the Property and/or a form or forms of credit enhancement, and shall not be a general obligation or moral obligation of the Issuer or in any way secured by any assets of the Issuer other than pursuant to the Indenture and the Loan Agreement subject to the Issuer's rights thereunder.
4. The Project shall be owned by the Borrower and financed pursuant to the Loan Agreement, the terms of which are to be mutually agreed upon by the Borrower and the Issuer, and which shall provide that the Borrower will be obligated to repay the loan made to the Borrower by the Issuer under the Loan Agreement and to pay a loan financing fee payable to the Issuer, the charges of the Trustee and certain other expenses under the Indenture.

5. Such rulings, approvals, consents, certificates of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Issuer and to the Borrower as to such matters with respect to the Bonds and the tax exemption of interest thereon for federal income tax purposes and the tax exemption thereof and income thereon for the State of West Virginia and local tax purposes, the Indenture, the Loan Agreement, any credit enhancement documents and other necessary documents as shall be specified by the Issuer and the Borrower shall have been obtained from such governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and to the Project and shall be in full force and effect at the time of the issuance of the Bonds.

6. This Resolution is an affirmative declaration of official intent of the Issuer toward the issuance of the Bonds as contemplated herein in accordance with the purposes of the laws of the State of West Virginia, the Code and the Regulations, and it is understood that the Borrower may rely upon this Resolution in commencing with the Project and providing temporary financing therefor. The Issuer reasonably expects, as of the date hereof, to timely reimburse the Borrower for certain costs of the Project paid or incurred by the Borrower prior to the issuance of the Bonds with the proceeds of the Bonds, the interest on which will be exempt from federal income tax. However, the Issuer's ability to actually issue the Bonds is subject to satisfying the conditions in Paragraphs numbered 4. and 5. herein.

7. The law firm of Hawkins Delafield & Wood LLP, New York, New York, is hereby appointed bond counsel to the Issuer in connection with the issuance and sale of the Bonds, and said firm is hereby authorized and directed to act in such capacity in the preparation of the Indenture, the Loan Agreement and other documents necessary for the authorization, issuance and sale of said Bonds, subject to submission of all such documents to the designated attorney for the Issuer. The fees and charges of said firm shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

8. Jackson Kelly PLLC ("General Counsel") is hereby appointed as general counsel to the Issuer in connection with the issuance and sale of the Bonds. The fees and charges of said General Counsel shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

9. Piper Sandler & Co. (the "Financial Advisor") is hereby appointed as financial advisor to the Issuer in connection with the issuance and sale of the Bonds. The fees and charges of said Financial Advisor shall be payable only from the proceeds of sale of the Bonds or otherwise by the Borrower.

10. The members of the board of directors of the Issuer, the officers and employees of the Issuer and the Issuer itself shall not have any expense, financial liability or financial obligation of any kind in connection with the Bonds except as shall be reimbursed by the Borrower.

11. The Borrower is responsible for (i) all rebate calculations and rebate obligations in respect of the Bonds under the Code and the Regulations, (ii) compliance with all other provisions of the Code and the Regulations applicable

to the Bonds and the Project and (iii) compliance with all secondary market reporting obligations in respect of the Bonds, if any.

12. This Resolution shall become effective immediately.

Adopted this 23rd day of September, 2020.



Chairman, Board of Directors
West Virginia Housing Development Fund

Adopted this 23rd day of September, 2020.



Executive Director
West Virginia Housing Development Fund

**RESOLUTION OF
BOARD OF DIRECTORS
OF
WEST VIRGINIA HOUSING DEVELOPMENT FUND**

WHEREAS, the West Virginia Housing Development Fund (the "Housing Development Fund") is authorized by Chapter 31, Article 18, Section 6 (the "Act") of the West Virginia Code and its Bylaws, amended as of April 2018 (the "Bylaws"), to employ officers and staff and to provide for their duties and to authorize their actions; and

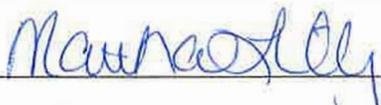
WHEREAS, from time-to-time, it is necessary for certain documents to be executed on behalf of the Housing Development Fund; and

WHEREAS, it is in the best interest of the Housing Development Fund and the State, that the designation of authorized signatories for the Housing Development Fund be approved.

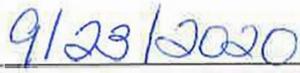
THEREFORE, BE IT HEREBY RESOLVED, as follows:

1. Erica L Boggess, as Executive Director, Crystal L Toney, as Deputy Director - Administration, Julie W. Davis, as Deputy Director - Production, and Kristin A Shaffer, as Senior Legal Counsel, are hereby authorized to sign and execute any document including contracts and other obligations as provided by Article VI Section 7 of the Bylaws on behalf of the Housing Development Fund.
2. Martha J. Lilly, as Assistant Secretary, and Kristin A. Shaffer, as Assistant Secretary, are hereby authorized to certify resolutions, minutes and any other document as are appropriate in that capacity.
3. Erica L Boggess, as Executive Director, and Crystal L Toney, as Deputy Director - Administration and Assistant Treasurer, and Julie W. Davis, as Deputy Director - Production and Assistant Treasurer, are hereby authorized to endorse all bills, notes, checks, drafts, acceptances and other instruments, and all orders for payment or withdrawal of any and all monies, credits, items and property at any time which are held by any depository for the Housing Development Fund.

FURTHER RESOLVED, that this resolution is effective upon adoption.



Assistant Secretary



Date