

MINUTES OF A SPECIAL MEETING OF
THE HOUSING AUTHORITY OF THE CITY OF RALEIGH
BOARD OF COMMISSIONERS
NOVEMBER 13, 2023

The members of the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina met at 900 Haynes Street on Monday, November 13, 2023 at 5:00 p.m. The meeting was held via Zoom.

The Board Vice Chair called the meeting to order and upon roll call the following were present and absent:

Present: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Absent: Bahati Mutisya.

Visitors: Paula Coppola, Walnut Terrace resident; Anthony Albanese, Elmington Capitol; Joe Horowitz, Elmington Capitol; Landon Cox, LDG Development Group; Kristen Kirby, McGuireWoods LLP; Chris Byrd, LDG Development Group; Charles Francis, Francis Law Firm, PLLC.

RHA Staff: Priscilla Batts, Liz Edgerton, Katie Lebrato, Ashley Lommers-Johnson, Laura McCann, Jennifer Morgan, Donna Perez, Jason Schloop, Gwen Wall.

The Board Chair declared a quorum present and welcomed everyone to the meeting.

RECOGNITION OF VISITORS

Mr. Lommers-Johnson recognized the visitors this evening.

PUBLIC COMMENTS

There were no public comments this evening.

NEW BUSINESS

Mrs. Morgan said this resolution approves the issuance of \$26 million multifamily note for the Preserve at Gresham Lake. It is a 156-unit multifamily residential development at 3095 Gretchen Lake Road in Raleigh. The multifamily note will be privately placed with Alliance Life Insurance Company of North America. There are 16 units restricted to 30% AMI located at the property. Also, with the tax credits the property is required to accept housing choice vouchers. The Tenant Selection Plan for the Preserve at Gresham Lake will include a preference for RHA residents displaced due to redevelopment.

With this resolution, you're approving the CEO, Board Chair, or Board Vice Chair to execute any documents related to the multifamily note.

This has been reviewed by RHA's legal counsel with no exceptions. Landon Cox with LDG Development is on the Zoom call if there are any questions.

Commissioner Warren said he is happy to see that the preference was discussed earlier in the Tenant Selection Plan has been implemented.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 63 (2023)

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF
MULTIFAMILY NOTE FOR THE PRESERVE AT GRESHAM LAKE

WHEREAS, Gresham Lake Family LP, a North Carolina limited partnership, or an affiliated or related entity (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental facility to be known as The Preserve at Gresham Lake, consisting of 156 units to be located at 3095 Gresham Lake Road in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Note (the “Multifamily Note”) in a principal amount not to exceed \$26,000,000; and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with Allianz Life Insurance Company of North America, a Minnesota corporation (the “Funding Lender”), pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”), among the Authority, the Funding Lender and BOKF, NA, a national banking association, as fiscal agent (the “Fiscal Agent”); and

WHEREAS, it is anticipated that the proceeds of the Multifamily Note will be loaned to the Borrower pursuant to a Borrower Loan Agreement (the “Borrower Loan Agreement”), between the Authority and the Borrower, for the purpose of (i) paying a portion of the costs of the acquisition, construction and equipping of the Development, and (ii) paying certain expenses in connection with the issuance of the Multifamily Note; and

WHEREAS, the Borrower’s obligations under the Borrower Loan Agreement will be secured by a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, from the Borrower to the deed of trust trustee named therein for the benefit of the Authority (the “Deed of Trust”), and various other security documents, all of which will be assigned to the Fiscal Agent for the benefit of the Funding Lender or will be entered into directly with or for the benefit of the Funding Lender; and

WHEREAS, there have been presented to this meeting draft forms of the following instruments (collectively, the “Authority Documents”), which the Authority proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Authority:

- (a) the Funding Loan Agreement, together with the form of the Multifamily Note attached thereto;
- (b) the Borrower Loan Agreement;
- (c) the promissory note of the Borrower in favor of the Authority (the “Borrower Note”), which will be endorsed by the Authority to the Fiscal Agent;
- (d) the Deed of Trust;
- (e) the Assignment of Deed of Trust, from the Authority in favor of the Fiscal Agent and

acknowledged by the Borrower; and

(f) the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), pursuant to which the Borrower will be required to operate the Development in accordance with Section 142(d) of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA DOES HEREBY RESOLVE, AS FOLLOWS:

1. The Authority hereby determines to provide financing to the Borrower for the acquisition, construction and equipping of the Development through the issuance of the Multifamily Note pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended, the loan of the proceeds thereof and the deposit of such proceeds with the Fiscal Agent in accordance with the Funding Loan Agreement and the Borrower Loan Agreement.

2. The Authority hereby authorizes the issuance and sale of the Multifamily Note pursuant to and in accordance with the terms set forth in the Funding Loan Agreement. The Multifamily Note will bear interest at the rates and will mature and be redeemed in the years and amounts all as set forth in the Funding Loan Agreement; provided, however, that the aggregate principal amount of the Multifamily Note shall not exceed \$26,000,000.

3. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designee is hereby authorized and directed to execute and deliver the Authority Documents to the other parties thereto. Each of the Chairman, Vice Chairman and Chief Executive Officer of the Authority or his or her respective designee, is authorized and directed to execute and deliver such endorsements, assignments and other instruments as may be necessary to assign the Borrower Note, the Deed of Trust, and other security documents to the Fiscal Agent.

4. Each of the Chairman and Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Multifamily Note in the manner and subject to the conditions provided in the Funding Loan Agreement to the Fiscal Agent for authentication, and to cause the Multifamily Note so executed and authenticated to be delivered to or for the account of the Funding Lender, or any affiliate thereof, upon payment of the purchase price therefor.

5. The Authority Documents shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be necessary or convenient to reflect the final terms of the Multifamily Note, and as otherwise approved by the officers of the Authority executing them after consultation with counsel to the Authority, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

6. Any authorization made hereby to the officers of the Authority to execute a document shall include authorization to the Chairman, Vice Chairman and Chief Executive Officer of the Authority, or their respective designees, to execute the document, authorization to the Secretary or any Assistant Secretary to affix the seal of the Authority to such document and attest such seal and where appropriate, to deliver it to the other parties thereto, all in the manner provided in the Authority Documents.

7. Such officers are hereby authorized and directed to execute and deliver any and all other documents, agreements, instruments, and certificates in the name and on behalf of the Authority as may be necessary or desirable to the issuance of the Multifamily Note. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the undertaking of the Development and the issuance and sale of the Multifamily Note are hereby ratified, confirmed and approved.

8. This resolution shall take effect immediately.

(Susan Ellinger recused herself from voting.)

Commissioner Warren moved and Commissioner Braun seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 63 (2023) has been adopted.

Mrs. Morgain said this resolution is also related to the \$26 million in multifamily note for the Preserve at Gresham Lake. This resolution is to approve the finance team. This resolution is required in deals where the approval of the North Carolina Local Government Commission is required. The Local Government Commission wants to see that RHA has approved the finance team.

This has been reviewed by our chief legal counsel with no exceptions.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 64 (2023)

RESOLUTION APPROVING FINANCING TEAM AND MAKING
CERTAIN FINDINGS WITH RESPECT TO THE ISSUANCE OF A
MULTIFAMILY NOTE FOR THE PRESERVE AT GRESHAM LAKE

WHEREAS, Gresham Lake Family LP, a North Carolina limited partnership, or an affiliated or related entity (the “Borrower”), has requested that the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) assist it in financing a portion of the cost of the acquisition, construction and equipping of a multifamily residential rental facility to be known as The Preserve at Gresham Lake, consisting of 156 units to be located at 3095 Gresham Lake Road in the City of Raleigh, North Carolina (the “Development”) and the Authority has agreed to do so; and

WHEREAS, the Authority finds that the financing of the Development through a tax-exempt note will fulfill the Authority’s purpose under the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the “Act”) to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, which is defined

in the statute to include “loans and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income;” and

WHEREAS, the Authority proposes to provide the financing for the Development by the issuance of its Multifamily Note (the “Multifamily Note”) in a principal amount not to exceed \$26,000,000; and

WHEREAS, the North Carolina Local Government Commission has requested the Authority to make certain findings with respect to the Multifamily Note consistent with Section 159-153 of the North Carolina General Statutes; and

WHEREAS, it is anticipated that the Multifamily Note will be privately placed with Allianz Life Insurance Company of North America, a Minnesota corporation (the “Funding Lender”); and

WHEREAS, the Borrower has requested that the Authority approve its selection of the following financing team members for the issuance and sale of the Multifamily Note, on the terms and at the fees set forth in the documents and financial information relating to the financing, providing for the issuance and sale by the Authority and the purchase by the Funding Lender of the Multifamily Note and in the financial information provided to the Authority with respect to the Multifamily Note:

Bond Counsel:	McGuireWoods LLP
Authority’s Counsel:	The Francis Law Firm, PLLC
Borrower:	Gresham Lake Family LP
Borrower’s Counsel:	Hunter Maclean LLP
Fiscal Agent:	BOKF, NA
Funding Lender:	Allianz Life Insurance Company of North America
Servicer:	R4 Servicer LLC
Servicer’s Counsel:	Kutak Rock LLP
Tax Credit Investor:	Hunt Capital Partners Tax Credit Fund 46, LP
Tax Credit Investor’s Counsel:	Nixon Peabody LLP

WHEREAS, based upon information and evidence received by the Authority, it has determined to approve the Borrower’s request;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA DOES HEREBY RESOLVE, AS FOLLOWS:

1. The above financing team for the issuance and sale of the Multifamily Note by the Authority is hereby authorized and approved.

2. The Authority hereby finds that the financing is necessary and expedient to further the Authority’s purpose of promoting low- and moderate-income housing in the City of Raleigh, North Carolina, and that the acquisition, construction and equipping of the Development proposed by the Borrower are necessary and sufficient to accomplish the Authority’s purposes with respect to the properties involved.

3. The Authority hereby finds that the Borrower has demonstrated that the amount of debt to be incurred in connection with the Development and the fees to be paid in connection therewith are sufficient but not excessive for the purpose of acquiring and constructing the Development.

4. The Authority hereby finds, based on (i) information provided by the Borrower, (ii) the commitment of R4 Capital Funding LLC to arrange for the private placement of the Multifamily Note with Allianz Life Insurance Company of North America, and (iii) the award of bond volume cap allocation by the North Carolina Federal Tax Reform Allocation Committee at the recommendation of the North Carolina Housing Finance Agency, that the Borrower has demonstrated that (a) it is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Borrower Loan Agreement between the Authority and the Borrower (the “Borrower Loan Agreement”), which will provide the funds to pay principal and interest on the Multifamily Note, and (b) the Development will generate sufficient revenues to make loan repayments and other payments under the Borrower Loan Agreement, to operate, repair and maintain the Development at its own expense and to discharge such other responsibilities as may be imposed under the Borrower Loan Agreement. The Authority further finds that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Multifamily Note, and the operation, repair and maintenance of the Development at the expense of the Borrower.

5. The Authority hereby finds that the use of the proceeds of the Multifamily Note for a loan to finance the costs of the Development and for the other purposes stated above will accomplish the public purposes set forth in the Act and hereby approves such use of proceeds.

6. This Resolution shall take effect immediately upon its passage.

(Susan Ellinger recused herself from voting.)

Commissioner Braun moved and Commissioner Winstead seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 64 (2023) has been adopted.

Mrs. Morgan said this resolution is the inducement resolution for up to \$50 million in multifamily housing revenue bonds for Tryon Road Apartments. Per state statute, RHA is the issuer for these bonds. They are non-recourse bonds so if the developer were to default on these bonds, RHA is not financially responsible.

The developer is Elmington Affordable. The inducement resolution is coming earlier in the transaction process due to the expiration of the qualified census tract designation, the location of this property, at the end of 2023. The qualified census tract designation allows for a 30% boost to the project's eligible low-income housing tax credit basis, which impacts the feasibility of the financing of this project. This request for the bond inducement at this time will preserve the QCT designation for a sufficient amount of time to close the bond and tax credit transaction and preserve the basis boost.

The project consists of 250 family units located on 4020 Tryon Road in southwest Raleigh. There are 25 one-bedroom units, 87 two-bedroom units, 114 three-bedroom units, and 24 four-bedroom units. The target market will be households at 60% AMI. With the tax credits, the property is required to also

accept Housing Choice Vouchers. There will be 2 four-to-five story residential buildings on site, with the clubhouse and leasing office located in one of the apartment buildings. The property will be managed by Elmington Property Management. The net rents will range from \$1,207 to \$1,838, depending on the bedroom size.

The total project is approximately \$85 million, including funding from bonds, 4% tax credits, and deferred developer fee. The zoning is expected to be completed in June or July of 2024. The initial meeting with planning staff has been completed and staff concurs that the proposed use is consistent with the future land use plan for Raleigh and is consistent with the surrounding uses. A community meeting is scheduled for November 16th and zoning is expected to take six to seven months.

The project adheres to the City of Raleigh Affordable Housing Location Policy as it is located in a census tract that does not have a concentration of minority or low-income people. It is expected that there will be a recertification after the initial 15-year compliance period and the property will remain affordable for an additional 15-year period. Amenities will include a clubhouse, swimming pool, exercise room, picnic area, playground, tot lot, business center, computer room, laundry facility, on-site management and maintenance, and common area Wi Fi.

Elmington Affordable is willing to include a preference in their Tenant Selection Plan for RHA residents displaced due to redevelopment. This has been reviewed by RHA's legal counsel with no exceptions. Joe Horowitz with Elmington Affordable is on the Zoom call to answer any questions.

Commissioner Warren said we don't see many bond transactions where 100% of the units are at 60% AMI. I thought that North Carolina Housing Finance Agency would require some of the units to be less than that in a bond transaction. Are you willing to consider adjustments to that plan as you go forward?

Mr. Horowitz said this will be our eighth project in North Carolina – new construction bond deal – that we have pursued since 2019. We have closed on three or four projects that were 100% at 60% AMI so North Carolina Housing Finance Agency does allow that. It's common that some of the additional sources that developers may pursue may trigger the requirement for some of the lower income units, or the extremely low-income units. We are open to considering some deeper set asides. We are open to considering project based vouchers to lay over those units. We try to be very specific in our application to mention that 100% of the units would be at or below 60% AMI. We're open to including some additional set asides for some of the units – we would just need to be able to put together the proper capital stack to allow that to work financially.

Commissioner Warren asked if they anticipate asking city or county support for funding for this project.

Mr. Horowitz said we typically have not pursued city or county support only because it adds additional layers of uncertainty about getting approval. And it adds additional layers of complexity to some of the financing sources. We see the 60% AMI unit in cities like Raleigh and Charlotte to be a unit that is still underserved, and to have great demand within the markets. We are open to considering other sources, but we would note that we have been able to close on the almost 1,200 units throughout Charlotte without asking for city or county money. And it enables us to provide a certainty of execution and a quicker execution than having to rely on those sources.

Commissioner Warren said these are fairly large buildings. Is that similar to what you've been building in Charlotte?

Mr. Horowitz said we have a number of three/four splits and four/five splits in Charlotte. It is worth noting that our projects tend to be larger in terms of density and total units than some of the other developers that we've seen. Part of our strategy in North Carolina is to be able to deliver bond deals that are financed with bonds and credits, and to not have to rely on a lot of additional sources. But in doing so, density is an important factor to our strategy because we're spreading fixed costs across more units. That, along with differing the developer fee, allows us to deliver these projects that have greater density and some larger buildings than you might see on an 80- to 100-unit garden style 9% deal.

Commissioner Warren said I'm surprised to see how many three-bedroom units that you have in your plan. My experience is that the demand for three-bedroom units in our marketplace, based on market studies, is less than one or two bedrooms. I don't know if you've seen similar results in market studies in the Charlotte region or not. Could you give us a little bit more information about that mix?

Mr. Horowitz said we feel the three-bedroom unit is somewhat of a underserved segment of the market. I think you're correct that there are a lot of ones and twos that are delivered in the market and there's a lot of demand for those. We engaged a market study for this project to be sure that what we are witnessing in the market, and what we've done through our own surveys, is corroborated by a third party market analyst. The capture rate for the three-bedroom units was under 10% at this project, and the capture rate on the four- bedroom units was under 15%. There's not a lot of four-bedroom units in the project, but I think there are about 28 of them.

Mr. Horowitz said we think that medium to larger size families are a segment that gets underserved within the affordable housing development community. We felt like our market study has a pretty strong capture rate. In this case, we have a capture rate that we feel is manageable at below 10% on the three-bedroom units. Given that it's a part of the market that we think is a little underserved and overlooked, it's something that we like to include in our projects.

Commissioner Winstead added that DHIC has been getting inquiries around doing larger units because of the different family structures that we're seeing moving into some of our communities. We haven't tested that but have been hearing that there is a need for larger units.

HOUSING AUTHORITY OF THE CITY OF RALEIGH
RESOLUTION NO. 65 (2023)

RESOLUTION GIVING PRELIMINARY APPROVAL TO ISSUANCE OF MULTIFAMILY
HOUSING REVENUE BONDS (TRYON ROAD APARTMENTS)

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Raleigh, North Carolina (the "Authority") held a special meeting at 5:00 p.m. on the 13th day of November, 2023; and

WHEREAS, the Authority is organized and operates pursuant to the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the General Statutes of North Carolina, as amended (the "Act"); and

WHEREAS, the Act defines "housing project" in N.C.G.S. § 157-3(12) to include "property, buildings and improvements . . . acquired or constructed . . . pursuant to a . . . plan or undertaking . . .

[t]o provide grants, loans, interest supplements and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income”; and

WHEREAS, the Act in N.C.G.S. § 157-9 gives the Authority the power “to provide for the construction, reconstruction, improvement, alteration or repair of any housing project” and “to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues”; and

WHEREAS, an affiliated or related entity of Elmington Affordable, LLC (the “Company”), intends to provide low and moderate income housing in the City of Raleigh, North Carolina (the “City”); and

WHEREAS, the Company has requested that the Authority assist it or an affiliate in financing the acquisition, construction and equipping of a multifamily housing development to be known as Tryon Road Apartments, which will consist of up to 250 units and be located at approximately 4020 Tryon Road in the City (the “Development”); and

WHEREAS, the Company has described to the Authority the benefits of the Development to the City and the State of North Carolina and has requested the Authority to agree to issue its multifamily housing revenue bonds in such amounts as may be necessary to finance the costs of acquiring, constructing and equipping the Development; and

WHEREAS, the Authority is of the opinion that the Development is a facility that can be financed under the Act and that the financing of the same will be in furtherance of the purposes of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA:

1. It is hereby found and determined that the Development will involve the acquisition, construction and equipping of a multifamily housing facility, and that therefore, pursuant to the terms and subject to the conditions hereinafter stated and the Act, the Authority agrees to provide reasonable assistance to the Company in issuing bonds to finance the acquisition, construction and equipping of the Development, and, in particular, to undertake the issuance of the Authority’s multifamily housing revenue bonds (the “Bonds”) in an amount now estimated not to exceed Fifty Million Dollars (\$50,000,000) to provide all or part of the cost of the Development.

2. The Authority intends that the adoption of this resolution be considered as “official action” toward the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations issued by the Internal Revenue Service under the Internal Revenue Code of 1986, as amended (the “Code”).

3. The Bonds shall be issued in such series and amounts and upon such terms and conditions as are mutually agreed upon among the Authority and the Company. The Authority and the Company shall enter into a “financing agreement” pursuant to the Act for a term and with payments sufficient to pay the principal of, premium if any, and interest on the Bonds and to pay all of the expenses of the Authority in connection with the Bonds and the Development. The Bonds will be issued pursuant to an indenture or security agreement between the Authority and a trustee (the “Trustee”) or the bondholder which will set forth the form and terms of the Bonds and will assign to the Trustee for the benefit of the holders of the Bonds, or directly to the bondholder, the Authority’s rights to payments under the

financing agreement, except the Authority's right to payment of fees and expenses and indemnification. The Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of North Carolina or any political subdivision or agency thereof, including the Authority and the City, but shall be payable solely from the revenues and other funds provided under the proposed agreements with the Company.

4. The Authority hereby authorizes the Company to proceed, upon the prior advice, consent and approval of the Company and bond counsel, and consistent with the Company's representations to the Authority, to obtain approvals in connection with the issuance and sale of the Bonds, including, without limitation, from the City Council of the City of Raleigh, North Carolina, and, if required, the North Carolina Local Government Commission, and to obtain an allocation of a sufficient amount of the State of North Carolina's "private activity bond limit", as required by Section 141 of the Code and as defined in Section 146 of the Code, for the Bonds.

5. It having been represented to the Authority that it is desirable to proceed with the acquisition, construction and equipping of the Development, the Authority agrees that the Company may proceed with plans for such acquisition, construction and equipping, enter into contracts for the same, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its written consent in each instance to the payment of any monies or the performance of any act in connection with the Development and no such consent shall be implied from the Authority's adoption of this resolution. The Authority agrees that the Company may be reimbursed from the proceeds of the Bonds, if and when issued, for all qualifying costs so incurred by it as permitted by Treasury Regulations Section 1.150-2.

6. All obligations hereunder of the Authority are subject to the further agreement of the Authority and the Company to terms for the issuance, sale and delivery of the Bonds, and the execution of a financing agreement, indenture or security agreement and other documents and agreements necessary or desirable for the issuance of the Bonds. The Authority has not authorized and does not authorize the expenditure of any funds or monies of the Authority from any source other than the proceeds of the Bonds. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Development, including the reasonable fees and expenses of the Authority's counsel, bond counsel and the agent or underwriter for the sale of the Bonds, shall be paid from the proceeds of the Bonds or by the Company, but if for any reason the Bonds are not issued, all such expenses shall be paid by the Company and the Authority shall have no responsibility therefor. It is understood and agreed by the Authority and the Company that nothing contained in this resolution shall be construed or interpreted to create any personal liability of the officers or commissioners from time to time of the Authority.

7. The officers of the Authority are hereby authorized and directed to take all actions in furtherance of the resolution and the issuance of the Bonds.

8. The Authority hereby approves McGuireWoods LLP, Raleigh, North Carolina, to act as bond counsel for the Bonds.

9. The Authority finds and determines that for purposes of Section 42(h)(4) of the Code and HUD Notice 87 FR 64515, that on or before the date of this resolution (November 13, 2023) the Borrower submitted a complete application to the Authority and that no more than a de minimis clarification of the Application is required for the Board to make a decision about the issuance of the Bonds.

10. This resolution shall take effect immediately.

Commissioner Braun moved and Commissioner Ellinger seconded approval of the foregoing resolution. A vote being called, the ayes and nays were as follows:

Aye: Eric Braun, Valerie Crutchfield, Susan Ellinger, Niya Fonville-Swint, Arne Morris, Gregg Warren, Joe Whitehouse, Yolanda Winstead.

Nay: None.

Resolution No. 65 (2023) has been adopted.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Fonville-Swint moved and Commissioner Morris seconded approval to adjourn the RHA Board Meeting.

The RHA Board Meeting adjourned at 5:20 pm.