

October 7, 2021

10:00 A.M.

The Board of Directors will meet at 502 E. Highland Mall Blvd., 106-B Austin, Texas 78752 and via Zoom.

Join the Meeting by using the Link, Meeting ID and Password provided below:

<https://us02web.zoom.us/j/84309207788?pwd=aG9vZWtTeGs3Z1hIV0F1eENPTFVvUT09>

Find your local number at: <https://us02web.zoom.us/j/kx6eg8tr3>

Meeting ID: 843 0920 7788

Password: 422540

The Board of Directors will consider and may take action on the following items:

I. CALL TO ORDER / ROLL CALL / CONFIRMATION OF QUORUM

MISSION STATEMENT: The Travis County Facilities Corporation, Texas, preserves and develops affordable housing and vibrant communities, which enhance the quality of life for all.

II. PUBLIC FORUM / CITIZEN COMMUNICATION

- Anyone desiring to discuss or comment on items directly related to the TCFC is always welcome.
- If the item is deemed related to an Agenda item at the current meeting, the presiding officer will inform the citizen that pending action(s) remain.
- Speakers must sign-in prior to the start of the Board Meeting by emailing Omar Nesbit at Omar.Nesbit@traviscountytexas.gov
- Maximum three-minute limit per speaker.

III. ACTION ITEM

A. Resolution No. TCFC-2021-02	To <u>Approve</u> the prescription of the form and substance of an Agreement to Issue Bonds for Multifamily Housing Revenue Bonds (Burleson Road at Montopolis Apartments), to be located at 5908 Burleson Road, Austin, Travis County, Texas ; <u>Authorize</u> the execution of such agreement; <u>Authorize</u> the filing of an application with the Texas Bond Review Board for a reservation of an allocation of State volume cap for private activity bonds; and <u>Authorize</u> additional provisions relating thereto.
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IV. NEW / UNFINISHED BUSINESS

- A. Discussion and consideration regarding Board of Directors issues and concerns

V. ADJOURNMENT

TCFC Action Item III.A.

October 7, 2021

Resolution No. TCFC-2021-02: To Approve the prescription of the form and substance of an Agreement to Issue Bonds for Multifamily Housing Revenue Bonds (**Burleson Road at Montopolis Apartments**), to be located at 5908 Burleson Road, Austin, Travis County, Texas; Authorize the execution of such agreement; Authorize the filing of an application with the Texas Bond Review Board for a reservation of an allocation of State volume cap for private activity bonds; and Authorize additional provisions relating thereto.

Background Information: Manish Verma (previous development partner of Southpark Ranch Apartments in 2006) AKA A.T. South First-Slaughter, LP, is requesting that Strategic Housing Finance Corporation provide an inducement resolution for the Application to be submitted to the Texas Bond Review Board 2022 Bond Lottery. Applications are due by mid-October for the lottery drawing.

The proposed development site consists of 2.96 acres of land located 2 miles east of IH-35 and State Highway 71 interchange, just south of State Hwy 71 (E. Ben Whit Blvd) at 5908 Burleson Rd. The proposed improvements will consist of 244 units podium-style, 7 story residential community with enclosed structured parking of floors 1 & 2, and units on each floor above. The anticipated unit mix will consist of (100) 1-Bedroom One-Bath 710 square feet, (65) 2-Bedroom 2-Bath 900 square feet, (35) 2-Bedroom 2-Bath 940 square feet, and (45) 3-Bedroom 2-Bath 1285 square feet. All units will serve residents earning 60% of the area median income or less.

Total Uses will be \$65,468,475 to be funded by Sources of Debt of \$36,200,000 and Equity of \$27,824,000 with Deferred Developer Fee of \$1,444,475.

Uses:		Per Unit
Land	\$ 3,900,000	\$ 15,984
Construction Cost	\$46,523,728	\$190,671
Soft Cost	\$ 7,289,035	\$ 29,873
Developer's Fee	\$ 7,755,712	\$ 31,785
Total Uses	\$65,468,475	\$268,314

Sources:		Per Unit
Debt	\$36,200,000	\$148,361
LIHTC Equity	\$27,824,000	\$114,033
Deferred Dev. Fee	\$ 1,444,475	\$ 5,920
Total Sources	\$65,468.475	\$268,314

The request for an inducement of tax-exempt bonds in the amount of \$40,000,000 to be submitted to the Texas Bond Review Board for the 2022 BRB Lottery. Applications are due in October 2021. Construction is anticipated to begin in late 2022 and be completed in late 2024.

Requested Action: Consideration and appropriate action regarding Resolution No. TCFC-2021-02: To Approve the prescription of the form and substance of an Agreement to Issue Bonds for Multifamily Housing Revenue Bonds (**Burleson Road at Montopolis Apartments**), to be located at 5908 Burleson Road, Austin, Travis County, Texas; Authorize the execution of such agreement; Authorize the filing of an application with the Texas Bond Review Board for a reservation of an allocation of State volume cap for private activity bonds; and Authorize additional provisions relating thereto.

Alternate Option: The Board of Directors could elect Not to Approve the following Resolution:

- Resolution No. TCFC-2021-02

Fiscal Impact:

This transaction will greatly enhance the financial position of TCFC through the collection of Origination fee, Developer's Fees, cash flow and sale or refinance of the property in the future.

Attachments:

- A. Aerial Map
- B. Resolution No. TCFC-2021-02

Prepared by:

Robert Onion – Director of Real Estate Development

Approval:



Patrick B. Howard, *Executive Vice President*



**TCFC Action Item III.A.
October 7, 2021**

Resolution No. TCFC-2021-02: To Approve the prescription of the form and substance of an Agreement to Issue Bonds for Multifamily Housing Revenue Bonds (**Burleson Road at Montopolis Apartments**), to be located at 5908 Burleson Road, Austin, Travis County, Texas; Authorize the execution of such agreement; Authorize the filing of an application with the Texas Bond Review Board for a reservation of an allocation of State volume cap for private activity bonds; and Authorize additional provisions relating thereto.

WHEREAS, the Travis County Facilities Corporation (the "Corporation") was formed by the Housing Authority of Travis County (the "Unit"), pursuant to the Texas Public Facility Corporation Act, Texas Local Government Code, Chapter 303, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"); and

WHEREAS, the Corporation, on behalf of the Unit, is authorized and empowered by the Act to issue revenue bonds to finance, refinance or provide one or more public facilities as defined in the Act, located within the boundaries of the Unit, being Travis County, Texas, to maintain certain reserve funds and to pay for certain costs related to the issuance of the revenue bonds; and

WHEREAS, the Corporation now desires to authorize, issue and sell its tax-exempt multifamily housing revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, rehabilitating and/or constructing a certain public facility by an entity anticipated to be known as ATX Burleson Montopolis, LP, a Texas limited partnership, and/or its assigns (the "User"); and

WHEREAS, the User and the Corporation desire that the Corporation take some official action toward the issuance of such bonds prior to the commencement of construction or acquisition of such public facility; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TRAVIS COUNTY FACILITIES CORPORATION, THAT:

Section 1: The Corporation hereby authorizes and agrees that it will issue and sell its multifamily housing revenue bonds (the "Bonds") from time to time in one or more series pursuant to the provisions of Texas law to pay all or part of the cost of acquiring, constructing and equipping the project described in Exhibit "A" to the Agreement to Issue Bonds (the "Agreement") attached hereto (the "Project"), together with all costs of authorization, sale and issuance of the Bonds. The Bonds will be issued and sold as more fully provided in the Agreement, and subject to the terms thereof, in an aggregate principal amount now estimated to be not more than \$40,000,000.

Section 2: The proceeds of the Bonds will be used to finance a portion of the acquisition, financing, and/or construction of the Project.

Section 3: The Corporation will enter into a financing agreement with the User providing for financing of all or part of the cost of the Project.

Section 4: The Board of Directors of the Corporation (the "Board of Directors") hereby finds, determines and declares that (i) the Project is required and suitable for the promotion of the construction of a new, improved, or expanded residential development in the County, (ii) the User and its affiliates have the business experience, financial resources and responsibility to provide reasonable assurance that the Bonds and the interest thereon to be paid from, or by reason of, payments made by the User under the financing agreement will be paid as the same become due, and (iii) the Project is in furtherance of the public purposes set forth in the Act including, without limitation, assisting persons of low and moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 5: The Corporation hereby authorizes the submission of an Application to the Texas Bond Review Board ("TBRB") for a reservation of the state ceiling for "private activity bonds" for program year 2022 (or other available bond funds administered by the TBRB) and other calendar years at the User's request to finance the Project, including applying for carryforward of such reservation(s). Any officer of the Corporation is hereby authorized and directed to execute and submit an Application to the TBRB in such form as may be approved by the TBRB for such purpose and to take any and all other actions related to such Application or necessary or desirable to carry out the provisions of this Resolution, including any further revisions to this Resolution. The Corporation hereby designates Cliff Blount, Chris Sayers, Laura Greff and Naman Howell Smith & Lee, PLLC be designated as the authorized representative of the Corporation for purposes of an Application and to be bond counsel for issuance of the Bonds ("Bond Counsel").

Section 6: That neither the User nor any other party is entitled to rely on this Resolution as a commitment to loan funds, and the Corporation reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Corporation shall not be subject to any liability or damages of any nature. Neither the User nor anyone claiming by, through or under the User, nor any investment banking firm or potential purchaser of the Bonds shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to issue the Bonds.

Section 7: This Resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended. Based upon the representations of the User, the Corporation reasonably expects that certain of the costs of the Project may be reimbursed with the proceeds of the Bonds.

Section 8: The Board of Directors hereby authorizes the formation of a limited liability company, the sole member of which will be the Corporation, to serve as the general partner of the User.

Section 9: The Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to serve as the general contractor for the Project.

Section 10: The Board of Directors hereby authorizes the formation of an additional limited liability company, the sole member of which will be the Corporation, to own the real property upon which the Project will be located and to lease that property to the User.

Section 11: This Resolution, together with the Agreement, shall be deemed and construed as a resolution authorizing the issuance of the aforesaid Bonds or some other similar official action toward the issuance of the Bonds.

Section 12: The Board of Directors hereby authorizes the officers, employees, agents, attorneys and consultants of the Corporation to take or cause to be taken such other actions as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. Notwithstanding any other provision of this Resolution, the officers of the Corporation are each hereby authorized to make or approve such revisions to this Resolution and in the form of the documents hereby approved, in the opinion of Bond Counsel, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution; and approval of such changes by the Corporation shall be indicated by such officers' execution of the documents.

PASSED AND APPROVED this 7th day of October, 2021.

By: _____
Name: _____
Title: _____

CERTIFICATION

The above resolution, adopted by the Board of Directors of the Travis County Facilities Corporation at a meeting held on the 7th day of October, 2021, is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of such Corporation.

WITNESS my hand and seal of office this ____ day of October, 2021.

By: _____
Name: _____
Title: _____

EXHIBIT A

AGREEMENT TO ISSUE BONDS

AGREEMENT TO ISSUE BONDS

THIS AGREEMENT TO ISSUE BONDS, entered into as of the 7th day of October, 2021, by and between the Travis County Facilities Corporation (the "Corporation"), created by the Housing Authority of Travis County (the "Unit") pursuant to the Texas Public Facility Corporation Act, Texas Local Government Code, Chapter 303, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), and Versa Development, LLC (the "User"), for the purpose of carrying out the public purposes set forth in the Act, including assisting the Unit in providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford;

WITNESSETH

WHEREAS, the Corporation, on behalf of the Unit, is authorized and empowered by the Act to issue revenue bonds to finance, refinance or provide one or more public facilities as defined in the Act, located within the boundaries of the Unit, being the County, to maintain certain reserve funds and to pay for certain costs related to the issuance of the revenue bonds; and

WHEREAS, the Corporation now desires to authorize, issue and sell its tax-exempt multifamily housing revenue bonds, to the extent authorized by law, to provide funds to defray all or part of the cost of acquiring, rehabilitating and/or constructing a certain public facility, more particularly described in Exhibit "A" attached hereto, within the County (the "Project"), which Project is suitable for the promotion of new, expanded or improved residential development to provide decent, safe, and sanitary housing for residents of the County; and

WHEREAS, pursuant to the Act, the Corporation, on behalf of the Unit, is authorized to issue the bonds hereinafter described, which bonds shall never constitute an indebtedness or pledge of the faith and credit of the State of Texas (the "State"), of the County, or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the County, and shall never be paid in whole or in part out of any funds of the Corporation except those derived from or in connection with the sale or lease of the Project or the loan of funds to finance the Project; and

WHEREAS, to provide decent, safe, and sanitary housing for residents of the County, the Corporation agrees to issue at the request of the User, one or more series of the Corporation's housing finance revenue bonds (the "Bonds") for the purpose of paying all or part of the costs of acquiring and constructing the Project, or for the purpose of loaning the proceeds to the User in order to provide temporary or permanent financing of all or part of the cost of acquiring and constructing the Project, and the Corporation and the User deem it desirable and proper that this Agreement to Issue Bonds constitutes a formal record of such agreement and understanding in order that the User may proceed with or provide for the acquisition and construction of the Project; and

WHEREAS, the User has evidenced a desire to cooperate with the Corporation in the acquisition and construction of the Project and for the Corporation to authorize and issue the Bonds

in the aggregate principal amount now estimated not to exceed \$40,000,000 to provide the funds to defray all or part of the cost of the acquisition and construction of the Project; and

WHEREAS, the Corporation and the User contemplate that proceeds of the Bonds will be loaned to the User in order to provide financing of all or part of the costs of the Project and that the loan payments therefor will be sufficient to pay the principal of and any premium and interest on the Bonds; and

WHEREAS, it is the desire of the Corporation that the acquisition and construction of the Project occur at the earliest possible time so as to provide decent, safe, and sanitary housing for residents of the County.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and of the mutual benefits, covenants and agreements herein expressed, the Corporation and the User agree as follows:

1. The User shall commence with the acquisition and construction of the Project, which Project will be in furtherance of the public purpose of the Corporation and the County as aforesaid, and the User will provide, or cause to be provided, at its expense, the necessary interim financing to expedite the commencement of the acquisition and construction of the Project. On or prior to the issuance of the Bonds, the User will enter into a loan agreement on an installment payment basis (herein called the "Agreement") with the Corporation under which the Corporation will make a loan to the User for the purpose of providing temporary or permanent financing of all or part of the costs of the Project, and the User will make installment payments sufficient to pay the principal of and any premium and interest on such Bonds. The Bonds shall never constitute an indebtedness or pledge of the faith and credit of the State, of the County, or of any other political corporation, subdivision or agency of the State within the meaning of any State constitutional or statutory provision, and the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the County, and shall be payable from the funds of the Corporation derived from or in connection with the loan of the proceeds of the Bonds.

2. On receipt of a ruling from the Internal Revenue Service (or the opinion of nationally recognized bond counsel) that interest paid on the Bonds is exempt from federal income taxation (or will be exempt upon compliance with certain requirements after the issuance of such Bonds) and subject to the requirements of the Policy Guidelines and the Act, and upon receipt of favorable reports from the Corporation's legal advisors and staff concerning the issuance of the Bonds; the Corporation hereby agrees to issue, pursuant to the terms of the Act, the Bonds, maturing in such amounts and times, bearing interest at the rate, payable on the dates and having such optional and mandatory redemption features and prices as are approved in writing by the User. The Corporation will deliver the Bonds to the purchaser designated by the User and will cooperate to the fullest extent in facilitating delivery of the Bonds.

3. The Corporation and the User agree that the Bonds may be issued either at one time or in several series from time to time as the User shall request in writing; provided, however, that the parties agree that the Bonds will be issued in an aggregate principal amount as will not exceed the amount that is the subject of a ruling or rulings or opinion or opinions as aforesaid. A request in

writing for issuance of one or more series of Bonds shall not affect the obligation hereunder of the Corporation to issue the remaining Bonds as written requests therefor are received. It is further agreed that the proceeds of the Bonds or portions thereof, whether or not issued in a series, shall not be invested so as to constitute the Bonds or a portion thereof as arbitrage bonds under the Internal Revenue Code of 1986, as amended, and applicable regulations promulgated pursuant thereto.

4. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to finance all or part of the costs of the Project.

5. The costs of the Project (the "Project Costs") may include any cost of acquiring, constructing, remodeling, repairing, renovating and improving the Project. Without limiting the generality of the foregoing, the Project Costs shall specifically include the cost of: (i) acquiring any land, rights-of-way, options to purchase land, easements, leasehold estates in land and interests of all kinds in land related to such Project; (ii) acquiring, constructing, repairing, renovating, remodeling or improving all buildings and structures to be used as or in connection with the Project; (iii) site preparation, including the cost of demolishing or removing any buildings or structures the removal of which is necessary or incident to providing the Project; (iv) machinery, equipment, furnishings and facilities necessary or incident to the equipping of the Project so that it may be placed in operation; (v) financing charges, start-up costs and interest prior to and during construction and for two years after completion of construction, whether or not capitalized; and (vi) architectural, engineering, legal and related services (including fees for legal counsel to the Issuer), plans, specifications, surveys, studies, estimates of cost and of revenue, other expenses necessary or incident to planning, providing or determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Project, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, remodeling, repair, renovation or improvement of the Project, the placing of the Project in operation and all incidental expenses, costs and charges relating to the Project not enumerated above. The parties agree, upon request, to provide or cause to be provided to each other any data or information that may be reasonably required to verify any of the Project Costs enumerated in this paragraph. The User agrees that it will be responsible for and pay any Project Costs incurred whether before or after the date of this Agreement prior to issuance of the Bonds and will pay all Project Costs that are not or cannot be paid or reimbursed from the proceeds of the Bonds.

6. THE USER AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS THE CORPORATION, THE DIRECTORS OF THE CORPORATION, THE COUNTY, THE COMMISSIONERS' COURT OF THE COUNTY (BOTH INDIVIDUALLY AND AS A GROUP) AND ANY OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, SERVANTS AND ANY OTHER PARTY ACTING FOR OR ON BEHALF OF THE CORPORATION OR THE COUNTY (SUCH PARTIES BEING HEREINAFTER REFERRED TO AS THE "INDEMNIFIED PARTIES") AGAINST ALL LOSSES, COSTS, DAMAGES, EXPENSES AND LIABILITIES (COLLECTIVELY REFERRED TO HEREINAFTER AS "LOSSES") OF WHATSOEVER NATURE (INCLUDING, BUT NOT LIMITED TO, ATTORNEY'S FEES, LITIGATION AND COURT COSTS, AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID TO DISCHARGE JUDGMENTS) DIRECTLY OR INDIRECTLY

RESULTING FROM, ARISING OUT OF OR RELATING TO ONE OR MORE CLAIMS, AS HEREINAFTER DEFINED, EVEN IF SUCH LOSSES OR CLAIMS, OR BOTH, DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF OR RELATED TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR THAT IN ANY WAY PERTAIN TO THE DUTIES OR ACTIVITIES OR LACK THEREOF, WHETHER REAL OR ALLEGED, OF ANY SUCH INDEMNIFIED PARTY INCIDENTAL TO THE ISSUANCE OF THE BONDS. THE TERM "CLAIMS" AS USED HEREIN SHALL MEAN ALL CLAIMS, LAWSUITS, CAUSES OF ACTION AND OTHER LEGAL ACTIONS AND PROCEEDINGS OF WHATEVER NATURE, INCLUDING, BUT NOT LIMITED TO, CLAIMS, LAWSUITS, CAUSES OF ACTION AND OTHER LEGAL ACTIONS AND PROCEEDINGS INVOLVING BODILY OR PERSONAL INJURY OR DEATH OF ANY PERSON OR DAMAGE TO ANY PROPERTY (INCLUDING, BUT NOT LIMITED TO, PERSONS EMPLOYED BY THE CORPORATION, THE COUNTY, THE USER OR ANY OTHER PERSON AND ALL PROPERTY OWNED OR CLAIMED BY THE CORPORATION, THE COUNTY, THE USER, ANY AFFILIATE OF THE USER OR ANY OTHER PERSON) OR INVOLVING DAMAGES RELATING TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS BROUGHT AGAINST THE CORPORATION OR THE COUNTY OR TO WHICH THE CORPORATION OR THE COUNTY IS PARTY, EVEN IF GROUNDLESS, FALSE OR FRAUDULENT, THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS OR THE DESIGN, CONSTRUCTION, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF. THE OBLIGATIONS OF THE USER SHALL APPLY TO ALL LOSSES OR CLAIMS, OR BOTH, THAT RESULT FROM, ARISE OUT OF OR ARE RELATED TO ANY EVENT, OCCURRENCE, CONDITION OR RELATIONSHIP PRIOR TO TERMINATION OF THIS AGREEMENT TO ISSUE BONDS, WHETHER SUCH LOSSES OR CLAIMS, OR BOTH, ARE ASSERTED PRIOR TO TERMINATION OF THIS AGREEMENT TO ISSUE BONDS OR THEREAFTER. NONE OF THE INDEMNIFIED PARTIES SHALL BE LIABLE TO THE USER FOR, AND THE USER HEREBY RELEASES EACH OF THEM FROM ALL LIABILITY TO THE USER FOR ANY INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OR PARTS OF ANY PROPERTY OWNED OR CLAIMED BY THE USER THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE ISSUANCE, OFFERING, SALE OR DELIVERY OF THE BONDS OR THE DESIGN, CONSTRUCTION, INSTALLATION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF, EVEN IF SUCH INJURIES, DAMAGES OR DESTRUCTION DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, IN WHOLE OR IN PART, ONE OR MORE NEGLIGENT ACTS OR OMISSIONS OF ANY ONE OR MORE OF THE INDEMNIFIED PARTIES IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR IN CONNECTION WITH THE PROJECT. EACH INDEMNIFIED PARTY, AS APPROPRIATE, SHALL REIMBURSE THE USER FOR PAYMENTS MADE BY THE USER TO THE EXTENT OF ANY PROCEEDS, NET OF

ALL EXPENSES OF COLLECTION, ACTUALLY RECEIVED BY THEM FROM ANY INSURANCE WITH RESPECT TO THE LOSS SUSTAINED. AT THE REQUEST AND EXPENSE OF THE USER, EACH OF THE INDEMNIFIED PARTIES, AS APPROPRIATE, SHALL HAVE THE DUTY TO CLAIM ANY SUCH INSURANCE PROCEEDS AND SUCH INDEMNIFIED PARTY, AS APPROPRIATE, SHALL ASSIGN THEIR RESPECTIVE RIGHTS TO SUCH PROCEEDS, TO THE EXTENT OF SUCH REQUIRED REIMBURSEMENT, TO THE USER. IN CASE ANY ACTION SHALL BE BROUGHT AGAINST ANY ONE OR MORE OF THE INDEMNIFIED PARTIES, SUCH INDEMNIFIED PARTY SHALL PROMPTLY NOTIFY THE USER IN WRITING AND THE USER SHALL HAVE THE RIGHT TO ASSUME THE INVESTIGATION AND DEFENSE THEREOF, INCLUDING THE EMPLOYMENT OF COUNSEL AND THE PAYMENT OF ALL EXPENSES. THE INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO EMPLOY SEPARATE COUNSEL IN ANY SUCH ACTION AND PARTICIPATE IN THE INVESTIGATION AND DEFENSE THEREOF, BUT THE FEES AND EXPENSES OF SUCH COUNSEL SHALL BE PAID BY THE INDEMNIFIED PARTY UNLESS THE EMPLOYMENT OF SUCH COUNSEL HAS BEEN AUTHORIZED BY THE USER. THE USER SHALL NOT BE LIABLE FOR ANY SETTLEMENT OF ANY SUCH ACTION WITHOUT ITS CONSENT, BUT, IF ANY SUCH ACTION IS SETTLED WITH THE CONSENT OF THE USER OR IF THERE BE FINAL JUDGMENT FOR THE PLAINTIFF OF ANY SUCH ACTION, THE USER AGREES TO INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM AND AGAINST ANY LOSS BY REASON OF SUCH SETTLEMENT OR JUDGMENT.

7. If within three (3) years from the date hereof (or such later date as shall be mutually satisfactory to the Corporation and the User) the Corporation and the User shall not have agreed to mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions of the Agreement, the User agrees that it will pay the Corporation for all unpaid Project Costs which the Corporation shall have incurred and this Agreement to Issue Bonds (other than the obligations of the parties under paragraph 6 hereof) shall thereupon terminate. In the event that the User elects, prior to any such termination, not to proceed with the issuance of the Bonds for any reason, it shall so notify the Corporation in writing and it shall promptly pay to the Corporation all Project Costs incurred by the Corporation prior to such notification, and if payment is so made, the User's obligations under paragraph 5 above shall terminate from and after the date of such notification.

8. The User may, without the consent of the Corporation, transfer or assign this Agreement to Issue Bonds or transfer or assign any or all of its rights and delegate any or all of its duties hereunder to any of its subsidiaries or affiliates currently existing or hereafter created, but no such transfer, assignment or delegation shall, without the written consent and approval of the Corporation, relieve the User of its liability for payment of Project Costs under paragraphs 5 and 7 hereof or indemnification under paragraph 6 hereof.

9. The provisions of paragraphs 5 and 6 of this agreement shall survive the expiration or termination of this Agreement to Issue Bonds and the closing of the transactions contemplated by the Agreement.

10. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to Issue Bonds to be executed as of the year and date first above written.

Travis County Facilities Corporation

By: _____
Name: _____
Title: _____

USER:

Versa Development, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Exhibit A

Description of the Project

The Project is a proposed affordable housing community to be named Burleson Road at Montopolis (subject to change with consent of the Corporation) to consist of approximately 245 units to be located at approximately 5908 Burleson Road, Austin, Travis County, Texas or adjacent thereto. The Project is expected to offer a variety of floor plans, including 100 1-bedroom units, 100 2-bedroom units, and 45 3-bedroom units.

The residential units will be marketed to families earning 60% of the area median income or less. The development will offer housing proximate to parks, business centers, schools, and retail establishments.

The community will provide resident supportive services, to be determined, at no additional cost to residents. Community amenities will also include a pool with a courtyard, outdoor gathering areas, fitness area, a business center, and enclosed, structured parking areas.