

RESOLUTION OF THE HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF LRC-DERBY RUN 1, LP IN AN AMOUNT UP TO \$12,000,000 AND THE EXECUTION OF RELATED DOCUMENTS

WHEREAS, pursuant to the Housing Authorities Law, Chapter 1, Title 36 (the “Act”) of the Code of Virginia of 1950, as amended (the “Virginia Code”), the Hampton Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the “Authority”), is authorized to exercise all the powers set forth in the Act, which include, among other things, the power, within its area of operation or as otherwise permitted under Section 36-23 of the Act, to make loans for assistance in planning, development, acquisition, rehabilitation, construction and equipping of facilities used primarily for multifamily residences in order to promote decent, safe and sanitary housing in the Commonwealth of Virginia, to issue its revenue bonds from time to time for such purposes and to pledge all or any part of its revenues derived by the Authority in connection with any such loans made by the Authority to secure the payment of such revenue bonds; and

WHEREAS, there have been described to the Authority the plans by LRC–Derby Run 1, LP, a Virginia limited partnership (the “Borrower”) to acquire, rehabilitate and equip a multifamily residential housing project consisting of fourteen garden style buildings containing approximately 160 units representing approximately 176,800 net rentable square feet (of which an area of approximately 142,700 square feet is expected to be eligible for low income housing tax credits) and related parking spaces and other amenities to be known as Derby Run Apartments (the “Project”) located on approximately 8.73 acres of land at 300 Floyd Thompson Boulevard in the City of Hampton, Virginia, to be owned and used by the Borrower or a party related to the Borrower; and

WHEREAS, the Project shall be established and maintained as a “qualified residential rental project” within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Authority is empowered, pursuant to the Act, to issue its bonds for the purpose, among others, of financing the acquisition, rehabilitation and equipping of multifamily residential rental apartment projects such as the Project; and

WHEREAS, the Borrower has requested the Authority to agree to issue its multifamily residential rental housing revenue bonds under the Act in an amount not to exceed \$12,000,000 (as described below, the “Bonds”), the proceeds of which will be used to finance or refinance a portion of (a) the cost of acquiring, rehabilitating and equipping the Project, (b) the funding of reserve funds as permitted by applicable law and (c) the costs incurred in connection with the issuance of the Bonds; and

WHEREAS, a public hearing (the “Public Hearing”) has been held on September 25, 2019 with respect to the Project and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906, as applicable to housing authorities, of the Virginia Code; and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”) to be dated as of the first day of the month in which it is executed and delivered between the Authority and Wilmington Trust, N.A., as trustee, or such other trustee to be named therein (the “Trustee”); and

WHEREAS, the Bonds will be limited obligations of the Authority, the principal of and premium, if any, and interest on which will be payable solely out of the receipts and revenues of the Authority from a Loan Agreement (the “Loan Agreement”) to be dated as of the first day of the month in which it is executed and delivered between the Authority and the Borrower; and

WHEREAS, the basic agreements and documents with respect to the Bonds listed below (the “Bond Documents”) have been prepared or reviewed by bond counsel to the Authority and presented to the Authority for its approval:

- (a) the Indenture, including the form of the Bonds attached thereto;
- (b) the Loan Agreement, including the form of the promissory note and endorsement attached thereto;
- (c) the Bond Purchase Agreement (the “Bond Purchase Agreement”), to be dated the date of its execution and delivery, by and among The Frazer Lanier Company, Incorporated or its designee (the “Underwriter”), the Authority and the Borrower; and
- (d) the Preliminary Official Statement (the “POS”), to be dated the date of its delivery, describing the offering of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. To induce the Borrower to acquire and rehabilitate the Project and maintain the Project as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the acquisition, rehabilitation and equipping of the Project, including any necessary reserve funds and costs of issuance of the Bonds, in each case only as permitted by applicable law, by undertaking the issuance of (and hereby declares its official intent to issue) its tax-exempt multifamily housing revenue bonds therefor, at one time or from time to time, in the maximum stated principal amount not to exceed \$12,000,000 upon the terms and conditions set forth in the Bond Documents and as provided in this resolution.

3. It having been represented to the Authority that it is necessary to proceed with the acquisition, rehabilitation and equipping of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the acquisition, rehabilitation and equipping and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the

Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project.

4. In adopting this resolution, the Authority intends to evidence its “official intent” to reimburse the Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2, including, without limitation, such expenditures with respect to the Project as are incurred prior to the issuance of the Bonds but not more than sixty (60) days before the date of this resolution.

5. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

6. The Authority hereby agrees to the appointment of The Frazer Lanier Company, Incorporated as underwriter for the sale of Bonds.

7. The Chair, Vice Chair and any other officer of the Authority, any of whom may act (the “Authorized Official”), are hereby authorized and directed to execute the Bonds, which shall bear interest at the rates, shall mature on such dates and shall be subject to redemption at such times as are established by the Underwriter and as are set forth in the Indenture and the Bond Purchase Agreement. The Authorized Official is hereby authorized to approve the final terms of the Bonds; provided that the interest rate borne by the Bonds shall not exceed the rate of 5.00% per annum, the final maturity of the Bonds shall not be later than three (3) years after the date of the initial issuance of the Bonds, and the maximum stated principal amount of the Bonds shall not exceed \$12,000,000. Such approvals shall be evidenced conclusively by the execution and delivery of the Bonds.

8. The Authority approves and consents to the distribution by the Underwriter of the POS. The Authorized Official is hereby authorized to deem the POS, as approved by the Borrower, final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), except for information the omission of which is permitted by the Rule. The Authority authorizes the Authorized Official to execute and deliver to the Underwriter for distribution a final offering document (the “OS”) reflecting the final terms of the Bonds, with such completions, omissions, insertions and changes as shall be approved by the Authorized Official, and such Authorized Official’s execution shall constitute conclusive evidence of the approval of any such completions, omissions, insertions and changes. Execution of the final OS shall constitute conclusive evidence that the OS has been deemed final within the meaning of the Rule.

9. The Bonds and each of the Bond Documents shall be in substantially the same forms as submitted to this meeting, which are hereby approved with such completions, omissions, insertions and changes (including, without limitation, changes of the dates thereof) as may be approved by the Authorized Official executing them, his or her execution to constitute conclusive evidence of the approval of any such completions, omissions, insertion and changes. The execution, delivery and performance by the Authority of the Bond Documents are hereby authorized and directed.

10. The Authorized Official is hereby authorized and directed to execute on behalf of the Authority and to deliver the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments as are authorized hereby or contemplated by the Bond Documents, and, if required, the Secretary or any other officer of the Authority is authorized and directed to affix the seal of the Authority to the Bonds, the Bond Documents and such other agreements, certificates, documents and instruments and to attest such seal. The signatures of the Authorized Official, the Secretary (or such other officer) and the seal of the Authority on the Bonds may be by facsimile.

11. The Authorized Official is hereby authorized and directed to execute and deliver on behalf of the Authority such other agreements, certificates, documents and instruments and to do and perform such other things and acts, as shall be necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Bonds, the Bond Documents or such other agreements, certificates, documents and instruments. All of the foregoing previously done or performed on behalf of the Authority are in all respects hereby approved, ratified and confirmed.

12. Any authorization herein to execute a document shall include authorization to change the date of such document, record such document where appropriate and to deliver it to the other parties thereto.

13. The Borrower has agreed in the Loan Agreement to indemnify and save harmless the Authority, its officers, commissioners, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

14. All costs and expenses in connection with the financing and the acquisition, rehabilitation and equipping of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and/or origination fee), bond counsel, counsel for the Authority, the Underwriter and counsel for the Underwriter shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

15. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority or the City (and the Bonds shall so state on their face), and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, nor any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or

the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

16. The Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to exercise its powers in the City to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Project for any reason.

17. The Authority recommends that the City Council (the "Council") of the City approve the issuance of the Bonds and hereby directs the Chair, the Vice Chair or the Secretary of the Authority to submit to the Council a reasonably detailed summary of the comments, if any, expressed at the public hearing, the fiscal impact statement required by Virginia law, and a copy of this resolution.

18. The Authority hereby authorizes the Chair, the Vice Chair or the Secretary of the Authority to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

19. No Bonds may be issued pursuant to this resolution until such time as (a) the issuance of the Bonds has been approved by the Council, and (b) the Bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

20. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Project or the Borrower.

21. All other acts of the officers of the Authority, which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Bonds, are hereby approved and confirmed.

22. This resolution shall take effect immediately upon its adoption.

Adopted: Adopted September 25, 2019

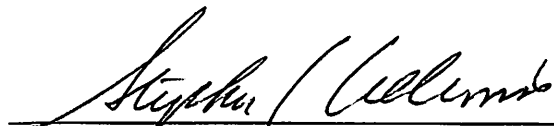
CERTIFICATE OF VOTES

Record of the roll-call vote by the Hampton Redevelopment and Housing Authority, upon reading of a resolution titled “**RESOLUTION OF THE HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE BENEFIT OF LRC-DERBY RUN 1, LP IN AN AMOUNT UP TO \$12,000,000 AND THE EXECUTION OF RELATED DOCUMENTS**” taken at a meeting of the Authority held on September 25, 2019:

	AYE	NAY	ABSTAIN	ABSENT
Stephen Adams	✓			
Will Moffett	✓			
Edith White	✓			
Ralph Heath	✓			
Teresa Schmidt	✓			
James Eason	✓			
Valarie Purcell				X

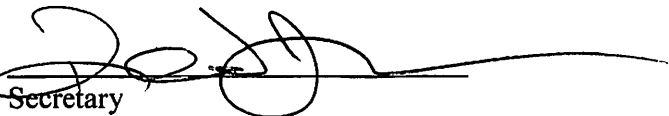
Dated: September 25, 2019

(SEAL)



 Chairman, Hampton Redevelopment and
 Housing Authority

ATTEST:

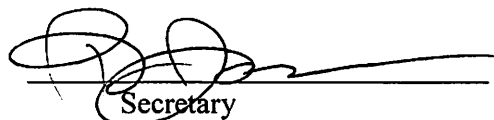


 Secretary

The undersigned Secretary of the Hampton Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a resolution adopted by the Authority’s commissioners present and voting at a meeting duly called and held on September 25, 2019, in accordance with law, and that such resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this 25th day of September, 2019.

**HAMPTON REDEVELOPMENT
 AND HOUSING AUTHORITY**

By: 

 Secretary