



**SAN ANTONIO HOUSING FINANCE
CORPORATION MEETING
NOV. 5, 2020**



BOARD OF DIRECTORS

Dr. Ana "Cha" Guzmán Chair	Jessica Weaver Vice Chair	Charles Clack Director	Jo-Anne Kaplan Director	Olga Kauffman Director	Ignacio Perez Director	Ruth Rodriguez Director
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SAN ANTONIO HOUSING FINANCE CORPORATION
***BOARD MEETING**
TELECONFERENCE

Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
1:00 p.m., Thursday, November 5, 2020

The Board of Directors will convene for a Board meeting via teleconference for discussion on the following matters:

MEETING CALLED TO ORDER

1. The Board of Directors may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board reserves the right to enter into closed meeting at any time, during the course of the meeting.

PUBLIC COMMENT

2. Public Comment - Citizens are provided three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 1:00 p.m.

Now is the time for public comments. The Board asks the public to address concerns related to SAHA matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to SAHA staff for more prompt resolution.

MINUTES

3. Minutes
 - Approval of the March 5, 2020, San Antonio Housing Finance Corporation Meeting Minutes

OPERATIONS

4. Consideration and approval regarding Resolution 20FIN-10-22, authorizing the defeasance of the multifamily housing revenue bonds (Artisan on the Bluffs Apartments project) series 2004 and actions in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)
5. Adjournment

*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For the convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

MINUTES
SAN ANTONIO HOUSING FINANCE CORPORATION
March 5, 2020

SCHEDULED: 1:00 p.m. at 818 S. Flores St., San Antonio, TX, 78204

DIRECTORS PRESENT:

Dr. Ana M. “Cha” Guzman, Chair
 Jessica Weaver, Vice Chair
 Charles Clack, Director
 Jo-Anne Kaplan, Director
 Ruth Rodriguez, Director

DIRECTORS ABSENT:

Olga Kauffman, Director
 Sofia A. Lopez, Director

COUNSEL: Doug Poneck, Escamilla &
 Poneck, LLP

STAFF:

David Nisivoccia, President and CEO
 Ed Hinojosa, Chief Financial Officer
 Muriel Rhoder, Chief Administrative Officer
 Timothy E. Alcott, Real Estate and Legal Services
 Officer
 Jo Ana Alvarado, Director of Innovative Technology
 Kristi Baird, Director of Beacon Communities
 Diana Kollodziej Fiedler, Director of Finance and
 Accounting
 Domingo Ibarra, Director of Security
 Aiyana Longoria, Director of Internal Audit

Hector Martinez, Director of Construction Services
 and Sustainability
 Richard Milk, Director of Policy and Planning
 Steven Morando, Director of Procurement and
 General Services
 Michael Reyes, Director of Communications and
 Public Affairs
 Janie Rodriguez, Director of Human Resources
 Thomas Roth, Director of Asset Management

Item 1: Meeting called to order
 Vice Chair Jessica Weaver, called the meeting to order at 1:22 p.m.

PUBLIC COMMENT

Item 2: Public Comment
 There were no citizens who spoke to the agenda.

MINUTES

Item 3: Minutes

- Approval of the February 20, 2020, San Antonio Housing Finance Corporation Meeting minutes

Motion: Director Kaplan moved to approve the February 20, 2020, meeting minutes. Director Clack seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Dr. Ana M. “Cha” Guzman	X			

Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Ruth Rodriguez, Director	X			

CONSENT ITEM

Item 4: **Consideration and approval regarding Resolution 20FIN-02-20, authorizing the San Antonio Housing Finance Corporation to approve an inducement resolution for the proposed tax credit and tax exempt bond financing of the Kitty Hawk Flats Apartments project**
Consent

Motion: Director Clack moved to approve Resolution 20FIN-02-20. Director Kaplan seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Dr. Ana M. "Cha" Guzman	X			
Jessica Weaver, Vice Chair	X			
Charles Clack, Director	X			
Jo-Anne Kaplan, Director	X			
Ruth Rodriguez, Director	X			

Item 5: **Adjournment.**
With no objections, Vice Chair Weaver adjourned the meeting at 1:24 p.m.

ATTEST:


Ana M. "Cha" Guzman
Chair, Board of Directors

Date

David Nisivoccia
Secretary/Treasurer

Date

SAN ANTONIO HOUSING FINANCE CORPORATION**November 5, 2020****BOARD OF COMMISSIONERS****RESOLUTION 20FIN-10-22, AUTHORIZING THE DEFEASANCE OF THE MULTIFAMILY HOUSING REVENUE BONDS (ARTISAN ON THE BLUFFS APARTMENTS PROJECT) SERIES 2004 AND ACTIONS IN CONNECTION THEREWITH**

DocuSigned by:

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David Nisivoccia
President and CEO

DocuSigned by:

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Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 20FIN-10-22, authorizing the defeasance of the multifamily housing revenue bonds (Artisan on the Bluffs Apartments project) series 2004 and actions in connection therewith.

FINANCIAL IMPACT:

None.

SUMMARY:

In 2004, the San Antonio Housing Finance Corporation issued its Multifamily Housing Revenue Bonds (Artisan on the Bluff Apartments Project) Series 2004 in the original aggregate principal amount of \$13,600,000.00 (Bonds). This was merely a bond issuance and you are not a partner in the Project. The Bonds finance the Project, which is a tax credit multifamily housing development of 250 units, located at 6425 De Zavala Road. The developer is Franklin Development.

The bonds were variable rate bonds with a current variable interest rate of approximately 2.35%. However, this rate will increase as interest rates increase. Franklin has decided to take advantage of the current low interest rates and refinance the project at a fixed rate through HUD, which is currently expected to be approximately 2.35%. It is expected that this will enable them to rehabilitate the Project, buy out the limited partner in the Project, and pay off their HOME loan. The Bonds will be paid off as a result of the refinancing. All affordability restrictions will remain in place. The project is currently set aside for families earning less than 60% of median income, since it was financed before income averaging.

You are being requested to approve the documents necessary to pay off the Bonds and subordinate the Bond Regulatory Agreement to the new HUD financing. This is required for all HUD financings. You will not have an ongoing role in the project once the Bonds are paid off. The new debt will strictly be an obligation of the tax credit partnership and not an obligation of any SAHA affiliate.

STRATEGIC GOAL:

Transform core operations to be a high performing and financially strong organization.

ATTACHMENTS:

SAN ANTONIO HOUSING FINANCE CORPORATION

November 5, 2020

Resolution 20FIN-10-22
HUD Amendment to Restrictive Covenants
Escrow Deposit Agreement
Site map

**CERTIFICATE FOR RESOLUTION 20FIN-10-22
ARTISAN ON THE BLUFFS APARTMENTS**

The undersigned officer of the San Antonio Housing Finance Corporation (SAHFC) hereby certifies as follows:

1. In accordance with its bylaws, the Board of Commissioners of SAHFC (Board) held a meeting on November 5, 2020, (Meeting) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION 20FIN-10-22, AUTHORIZING THE DEFEASANCE OF THE
MULTIFAMILY HOUSING REVENUE BONDS (ARTISAN ON THE BLUFFS
APARTMENTS PROJECT) SERIES 2004 AND ACTIONS IN CONNECTION
THEREWITH**

the Resolution was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Bylaws of SAHFC.

SIGNED this 5th day of November 2020.

David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Finance Corporation
Resolution 20FIN-10-22**

RESOLUTION 20FIN-10-22 AUTHORIZING THE DEFEASANCE OF THE MULTIFAMILY HOUSING REVENUE BONDS (ARTISAN ON THE BLUFFS APARTMENTS PROJECT) SERIES 2004 AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, ARDC Babcock, Ltd., a Texas limited partnership (Borrower) acquired land and constructed a 250-unit multifamily housing facility located at 6425 DeZavala Road, San Antonio, Texas (Project); and

WHEREAS, in connection with the financing for the Project, SAHFC issued its Multifamily Housing Revenue Bonds (Artisan on the Bluffs Apartments Project) Series 2004 (Bonds), under that certain Trust Indenture, dated as of December 1, 2004 (Indenture), between SAHFC and Wells Fargo Bank, National Association (Trustee), and loaned the proceeds of the Bonds to the Borrower (Loan) to assist in financing the costs of acquisition, construction and equipping of the Project; and

WHEREAS, in connection with its issuance of the Bonds, SAHFC required the execution and delivery of that certain Regulatory Agreement and Declaration of Restrictive Covenants in favor of SAHFC, recorded in the Real Property Records of Bexar County, Texas under County Clerk File Volume 11141, Page 1637 (Regulatory Agreement), which contains certain restrictions against the Project; and

WHEREAS, the Borrower desires to prepay the Loan and to defease and provide for the redemption of the Bonds (Redemption); and

WHEREAS, the Redemption will be accomplished by a deposit with the Trustee, as escrow agent, of the proceeds of a loan (New Loan) from Jones Lang LaSalle Multifamily, LLC, the proceeds of which will be used to purchase certain Government Securities (as defined in the Indenture), which, together with the investment income thereon and certain uninvested cash, will be sufficient to pay the principal and interest requirements on the Bonds when due and to redeem the Bonds, as provided in that certain Escrow Deposit Agreement, proposed to be executed by and among the Borrower, the Trustee and SAHFC (Escrow Agreement); and

WHEREAS, the New Loan will be insured by the United States Department of Housing and Urban Development (HUD); and

WHEREAS, HUD requires as a condition of insuring the New Loan that the lien and covenants of the Regulatory Agreement be subordinated to the lien, covenants and enforcement of the New Loan's loan documents, pursuant to that certain HUD Amendment to Restrictive Covenants proposed to be executed by and between the Borrower and SAHFC (Subordination Agreement and, together with the Escrow Agreement, the Operative Documents); and

WHEREAS, it is proposed that SAHFC approve the Redemption and execute the Operative Documents; and

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of SAHFC.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Antonio Housing Finance Corporation hereby:

Section 1. The Redemption and any documents evidencing same or required for the same, including, but not limited to, the Operative Documents, are hereby authorized and approved.

Section 2. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are hereby authorized to execute any and all documentation required for the Redemption, including, but not limited to, the Operative Documents.

Section 3. The President, any Vice President, the Secretary, the Treasurer, and any Assistant Secretary, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of SAHFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by SAHFC, and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, any Vice President, the Secretary, the Treasurer, any Assistant Secretary, or any of them, are authorized to negotiate and approve such changes in, or additions to, the terms of any of the documents, including amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to SAHFC, and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 4. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 5. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 7. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 8. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 9. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 5th day of November 2020.

Ana M. “Cha” Guzman
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer

HUD Amendment To Restrictive Covenants

This HUD AMENDMENT TO RESTRICTIVE COVENANTS (this “Amendment”) is made as of _____, 2020, by ARDC Babcock, Ltd., a Texas limited partnership ("Borrower") and SAN ANTONIO HOUSING FINANCE CORPORATION, a nonprofit housing finance corporation of the State of Texas ("Agency").

WHEREAS, Borrower has obtained financing from Jones Lang LaSalle Multifamily, LLC ("Lender") for the benefit of the project known as Artisan on the Bluff, FHA Project No. 115-11323 ("Project"), which loan is to be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (Texas) ("Security Instrument") dated as of even date herewith, and to be recorded in the Real Property Records of Bexar County, Texas ("Records") more or less immediately prior hereto and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Borrower previously benefited from the issuance of tax-exempt bonds by Agency, in connection with which Agency required the execution of recording of that certain Regulatory Agreement and Declaration of Restrictive Covenants in favor of Agency recorded in the Records under County Clerk File Volume 11141, Page 1637, which contains certain restrictions (the “Restrictive Covenants”) against the Project; and

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Amendment, the provision contained in this Amendment shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Jones Lang LaSalle Multifamily, LLC, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) The provisions of the Restrictive Covenants are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the

event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits Agency's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate, except as otherwise approved by HUD.

(e) Borrower and Agency acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for Agency's reporting requirement, in enforcing the Restrictive Covenants Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(a) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(b) Subject to the HUD Regulatory Agreement, Agency may require the Borrower to indemnify and hold Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

[SEE COUNTERPART SIGNATURE PAGES ATTACHED HERETO]

Counterpart Signature Page to HUD AMENDMENT To Restrictive Covenants

BORROWER

ARDC BABCOCK, LTD., a Texas limited partnership

By: 250 Babcock, LLC, a Texas limited liability company, General Partner

By: Houston Esperanza, a Texas nonprofit corporation, Sole Member

By:
Paul Ramirez, President

STATE OF _____)
) ss:
COUNTY OF _____)

On this ____ day of _____, 2020, before me, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared Paul Ramirez known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entities on behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in which this Certificate was first above written.

Notary Public in and for the foregoing State and County

Counterpart Signature Page to AMENDMENT To Restrictive Covenants

AGENCY

**SAN ANTONIO HOUSING FINANCE CORPORATION, a nonprofit housing
finance corporation of the State of Texas**

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____

STATE OF TEXAS

)

) ss:

COUNTY OF BEXAR

)

On this _____ day of _____, 2020, before me, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in her/his capacity as _____ of the San Antonio Housing Finance Corporation, a nonprofit housing finance corporation of the State of Texas, and that by her/his signature on the instrument the nonprofit housing corporation, executed the instrument.

**IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this
Certificate first above written.**

Notary Public in and for said County and State

My commission expires _____.

**EXHIBIT A
LEGAL DESCRIPTION**

Tract I: (Fee Tract)

Lot 6, Block 1, New City Block 14861, DEZ-BAB SUBDIVISION, situated in the City of San Antonio, Bexar County, Texas, according to the plat thereof recorded in Volume 9561, Page 92, Deed and Plat Records of Bexar County, Texas.

Tract II: (Easement Tract)

Easement Estate created by that certain Declaration of Reciprocal Easements and Restrictive Covenants as set out in Volume 9950, Page 282.

5/24/2020 35787180

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT is entered into as of October [___], 2020 (the “Agreement”), by and among ARDC BABCOCK, LTD., a Texas limited partnership (the “Borrower”), WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent (the “Escrow Agent”) and the SAN ANTONIO HOUSING FINANCE CORPORATION, a Texas non-profit housing finance corporation (the “Issuer”).

WITNESSETH:

WHEREAS, the Issuer previously issued its Multifamily Housing Revenue Bonds (Artisan on the Bluff Apartments Project) Series 2004 in the original aggregate principal amount of \$13,600,000 (the “Bonds”), under that certain Trust Indenture, dated as of December 1, 2004 (the “Indenture”), between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

WHEREAS, the Bonds were issued for the purpose of making a loan (the “Loan”) to the Borrower pursuant to the Loan Agreement dated as of December 1, 2004 (the “Loan Agreement”), between the Issuer and the Borrower, in order to assist in financing the costs of the acquisition, construction and equipping of a 250-unit multifamily housing development located in San Antonio, Texas and known as the Artisan on the Bluff Apartments (the “Project”).

WHEREAS, the Borrower desires to prepay such Loan and to defease and provide for the redemption of the Bonds in accordance with Section 2.11 of the Loan Agreement and Sections 6.1 and 14.1 of the Indenture.

WHEREAS, the defeasance of the Bonds will be accomplished by a deposit with the Escrow Agent of the proceeds of a loan (the “Loan”) from [____], the proceeds of which will be used to purchase certain Government Securities (as defined in the Indenture), which, together with investment income thereon and certain uninvested cash, will be sufficient to pay the principal and interest requirements on the Bonds when due and to redeem the Bonds, all as provided herein.

WHEREAS, the Issuer, the Borrower and the Escrow Agent, acting in its capacity as escrow agent, desire to enter into this Agreement to provide for the taking of certain actions to accomplish the defeasance and redemption of the Bonds and certain other matters as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. There is hereby created and established with the Escrow Agent a special and irrevocable escrow account designated the “Escrow Account for Defeased Bonds – Artisan on the Bluff Apartments” (the “Escrow Account”) to be held by the Escrow Agent, acting as escrow agent. The Escrow Account shall be held for the benefit of the holders of the Bonds and shall be held by the Escrow Agent separate and apart from other funds of the Issuer or the Escrow Agent.

Section 2. The Escrow Agent hereby accepts the Escrow Account created hereunder and acknowledges receipt of the sum of \$[____], which sum the Escrow Agent is hereby directed to deposit into the Escrow Account. Funds on deposit in the Escrow Account shall be used for the purchase of certain Eligible Securities as described in Exhibit A hereto (the “Eligible Securities”) and \$[____] of which shall be deposited as a beginning cash balance. The maturing principal of and interest on the Eligible Securities and the cash will produce amounts verified in writing by [Causey Demgen & Moore P.C.] as described in the report attached hereto as Exhibit A (the “Verification Report”), to be sufficient to pay when due the principal of and interest on the Bonds to [____] and to redeem all Bonds, by calling such bonds for redemption on [____] (the “Redemption Date”) at a redemption price equal to the principal amount of the Bonds outstanding on the Redemption Date, together with interest accrued thereon to the Redemption Date (collectively, the “Redemption Price”). The Eligible Securities shall be deposited in the Escrow Account in accordance with the terms hereof and of the Indenture.

The principal and interest on the Eligible Securities shall not be reinvested, and the Escrow Agent shall not sell or otherwise dispose of the Eligible Securities, except as specifically provided herein.

From and after the creation of the Escrow Account, the principal of and interest on the outstanding Bonds shall be payable solely and only from the Escrow Account and shall not, under any circumstances, be payable from any other funds of the Issuer, the Borrower or any other legal entity.

Section 3. The Escrow Agent, acting in its capacity as escrow agent, agrees that the pro rata portion of the principal amount of and interest on the Eligible Securities necessary to provide proceeds into the Escrow Account sufficient to pay the principal and interest on the Bonds on and prior to the Redemption Date and to pay the Redemption Price will be held for the holders of the Bonds and irrevocably agrees to apply said principal amount and interest, as the same become due, to the payment of the principal, premium, if any, and interest requirements on the Bonds through their final maturities or prior redemption date.

Section 4. The Borrower agrees to pay to the Escrow Agent upon the execution and delivery of this Agreement such amounts as may be necessary to pay the fees and expenses of the Escrow Agent acting as escrow agent in connection with the execution and delivery of this Agreement on the date hereof. The Escrow Agent hereby acknowledges that all such fees and expenses have been paid.

Section 5. Except as provided in Section 6 hereof, the Escrow Agent shall not have power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Eligible Securities.

Section 6. This Agreement may be amended or supplemented, the Eligible Securities or any portion thereof or proceeds thereof sold, redeemed, invested or reinvested, or proceeds thereof disbursed, in any manner (any such amendment, supplement or direction to sell, redeem, invest or disburse to be referred to as a “Subsequent Action”), upon submission to the Escrow Agent of each of the following:

(i) A certified copy of the proceedings of the Issuer authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the Issuer.

(ii) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Refunding Bonds or Bonds to become includable in gross income for Federal income tax purposes.

(iii) An independent report of certified public accountants to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Bonds will remain sufficient to pay when due all principal of and interest on the Bonds after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 7. The Escrow Agent shall collect the cash proceeds resulting from the payment of the principal of and interest on the Eligible Securities. The Escrow Agent, without further authorization or direction, shall apply such cash proceeds in the Escrow Account (a) to pay promptly when due the principal of and interest on the Bonds as the same become due on and prior to the Redemption Date and (b) to redeem on the Redemption Date all of the Bonds then currently outstanding at the Redemption Price. Such payments shall be made from the Escrow Account as set forth in this Section 7 and shall be made to the persons entitled thereto as provided in the Indenture.

Section 8. The Borrower hereby provides the Escrow Agent with an irrevocable direction to mail a notice of redemption of the Bonds not less than fifteen (15) days, nor more than thirty (30) days, prior to the Redemption Date in accordance with the provisions of the Indenture. A form of such notice of redemption is attached hereto as Exhibit B. All moneys on deposit in the Escrow Account shall be transferred by the Escrow Agent to the Trustee of the Bonds to effectuate such redemption. In addition, the Escrow Agent shall post the redemption notice on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system.

Section 9. The Escrow Account created hereby shall be irrevocable and the holders of the Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Account, including all amounts representing principal and all amounts representing interest on the Eligible Securities in the Escrow Account until used and applied in accordance herewith.

Section 10. The Borrower hereby irrevocably directs the Escrow Agent to mail a notice in substantially the form attached hereto as Exhibit C to the holders of the Bonds that provisions for the retirement of all of the Bonds have been made as provided in this Agreement. The Escrow Agent shall mail such notice as soon as possible following the execution of this Agreement and after all the conditions precedent to the defeasance of the Bonds have been satisfied. In addition, the Escrow Agent shall post such notice on the *EMMA* system.

Section 11. (a) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Borrower for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no lien on the moneys in the Escrow Account for any such payment.

(b) The Escrow Agent undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. Such duties and obligations shall be deemed ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to the Borrower under this Agreement.

(c) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(d) The Escrow Agent may consult with counsel of its selection, including its in-house counsel, with respect to any questions relating to its duties and responsibilities and may rely and shall be protected in acting or refraining from acting upon in good faith the advice or opinion of such counsel, or any opinion of counsel to the Borrower provided to the Escrow Agent. The Escrow Agent may act relative hereto upon the advice of nationally recognized bond counsel in reference to any matter in connection herewith.

(e) The Escrow Agent shall not be liable for a mistake of fact or error in judgment unless it is proved that the Escrow Agent was negligent in ascertaining the pertinent facts and shall not be liable for any acts or omissions of any kind, unless such acts or omissions are proved to have been caused by its own negligence or willful misconduct.

(f) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof.

(g) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture, or other

paper or document believed by the Escrow Agent to be genuine and to have been signed or presented by the proper party or parties.

(h) The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Account, or any part thereof, or as to the title of the Borrower thereto, or as to the security afforded thereby or hereby.

Section 12. It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Borrower with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Account, to dispose of and deliver the same in accordance with this Agreement.

Section 13. The Borrower hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and the Issuer and their respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees, expenses and disbursements, without limitation) (the "Losses") of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent or the Issuer (whether or not also indemnified against the same by the Borrower or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account established hereunder, the acceptance of the moneys and securities deposited therein, the purchase of any investments, the retention of the investments or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Borrower shall not be required to indemnify the Escrow Agent against the Escrow Agent's own gross negligence or willful misconduct. In no event shall the Borrower be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent and the Issuer as set forth in this Section 13. **The indemnities contained in this Section 13 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent. The indemnification as provided in this Section 13 shall remain in full force and effect if Losses directly or indirectly result from, arise out of, or relate to, or are asserted to have resulted from, arisen out of, or related to, the sole contributory negligence of the Escrow Agent.**

The Escrow Agent shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the moneys deposited therein, the purchase of any investments, the retention of any investments or the proceeds thereof or any payment, transfer or other application of the moneys or securities held by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent acts, omission or error of the Escrow Agent made in good faith in the conduct of its duties. Whenever the Escrow Agent shall

deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Borrower.

The Escrow Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, that for purposes of this Agreement, an e-mail does not constitute a notice, request or other communication hereunder but rather the portable document format or similar attachment attached to such e-mail shall constitute a notice, request or other communication hereunder and further provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Borrower elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Section 14. This Agreement shall terminate when the principal of and interest and redemption premium, if any, on all Bonds have been paid as set forth herein. The Escrow Agent shall thereupon be released and discharged with respect thereto and hereto. Subject to any applicable escheat laws, the Escrow Agent shall in the event moneys held by the Escrow Agent in the Escrow Account for the payment and discharge of the Bonds remain unclaimed for three years after the Redemption Date deliver such unclaimed moneys to or as directed by pertinent escheat authority, as identified by the Escrow Agent in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery

shall be in accordance with the customary practices and procedures of the Escrow Agent and the escheat authority.

Section 15. Except as otherwise provided in Section 6 hereof, this Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without (i) the written consent of the holders of 100% in principal amount of the unpaid Bonds at the time such action is made, and (ii) the written consent of the Escrow Agent; provided, however, that the Borrower and the Escrow Agent may, without the consent of, or notice to the holders of the unpaid Bonds enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(b) to cure any ambiguity or formal defect or omission in this Agreement; or

(c) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an opinion of nationally recognized bond counsel with respect to compliance with this Section 14, including the extent, if any, to which any change, modification, addition or elimination affects the rights of such holders of the Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 15.

Section 16. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

Section 17. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 18. The Escrow Agent may resign or be removed, at any time, for any reason, by written notice of its resignation or removal to the proper parties at their respective addresses as set forth herein, at least 30 days before the date specified for such resignation or removal to take effect.

Section 19. In the event that there is any deficiency in the Escrow Account, the Borrower will remedy such deficiency by paying to the Escrow Agent the amount of such deficiency.

Section 20. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Agreement contained against any past, present or future officer or member of the Issuer, or of any successor entity, as such, either directly or through the Issuer or any successor entity, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers or members as such is hereby

expressly waived and released as a condition of and consideration for the execution of this Agreement.

Section 21. The Issuer shall not be liable (a) for any loss resulting from any investment made pursuant to this Agreement, (b) for the accuracy of the calculations as to the sufficiency of the cash and Eligible Securities held in the Escrow Fund to pay the Redemption Price of the Bonds as provided herein or in the Verification Report or (c) any acts of the Escrow Agent.

Section 22. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 23. This Agreement may be executed in several counterparts, all or any part of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. The exchange of copies of this Agreement and of the signature pages thereof by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 24. Certain duties, rights and obligations provided for in the Indenture (including but not limited to replacement of lost, mutilated, stolen or destroyed bonds, the payment of interest and principal on the due dates thereof, the transfer and exchange and registration of bonds from time to time, the administration of any moneys remaining on deposit in any funds under the Indenture, the indemnification rights of the Trustee, and all immunities and protections of the Trustee) must, by their nature, be performed after the defeasance of the Bonds or must continue to benefit the Trustee until the payment in full of the Bonds and, accordingly, the Trustee agrees to be bound by and to comply with those provisions of the Indenture. The Escrow Agent has been appointed under this Agreement by the Borrower, and the Borrower agrees that by such appointment, the immunities, protections, rights and indemnification provided to the Trustee under the Indenture and related documents, including but not limited to any loan agreements and guaranties, shall not cease, diminish or be modified in any way.

Section 25. The Trustee, by execution of this Agreement in its capacity as Trustee, hereby agrees to and accepts the terms and provisions of this Agreement, and agrees to act as Escrow Agent under this Agreement and in accordance with the Indenture, to act in all capacities appropriate and necessary for the defeasance of the of Bonds. In its capacity as the Escrow Agent, the Trustee shall be entitled to all of the rights, protections, immunities and indemnities created in favor of the Trustee by the Indenture.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

ARDC BABCOCK, LTD., a Texas limited partnership

By: 250 Babcock, LLC, a Texas limited liability
company, General Partner

By: Houston Esperanza, a Texas nonprofit
corporation, Sole Member

By: _____
Paul Ramirez
President

(Signature Page to Escrow Deposit Agreement – Artisan on the Bluff Apartments)

SAN ANTONIO HOUSING FINANCE
CORPORATION, a nonprofit housing finance
corporation of the State of Texas

By:

Name:

Title:

(Signature Page to Escrow Deposit Agreement – Artisan on the Bluff Apartments)

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By:

Name:

Title:

The undersigned, as Trustee with respect to the Bonds, hereby acknowledges receipt of the directions of the Borrower with respect to the defeasance and redemption of the Bonds set forth in the foregoing Agreement and hereby agrees to comply with such directions in accordance with the provisions thereof.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By:

Name:

Title:

(Signature Page to Escrow Deposit Agreement – Artisan on the Bluff Apartments)

EXHIBIT A

Eligible Securities Purchased

EXHIBIT B

Form of Notice of Redemption of the Bonds

EXHIBIT C

Form of Notice of Defeasance

SAN ANTONIO HOUSING FINANCE CORPORATION

MULTIFAMILY HOUSING REVENUE BONDS
(ARTISAN ON THE BLUFF APARTMENTS PROJECT)
SERIES 2004

NOTICE IS HEREBY GIVEN to the holders of the above-described Bonds (the “Bonds”) that cash and direct obligations of the United States of America, the principal of and the interest on which, is sufficient to pay when due the principal and redemption price of, and interest on, the Bonds on and prior to [_____] (the first optional redemption date) have been deposited in escrow with Wells Fargo Bank, National Association, as escrow agent under an Escrow Agreement dated October [____], 2020. The Escrow Agent has also received irrevocable instructions to cause the bond trustee to redeem the Bonds, in whole, on [_____].

Dated: _____

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By:

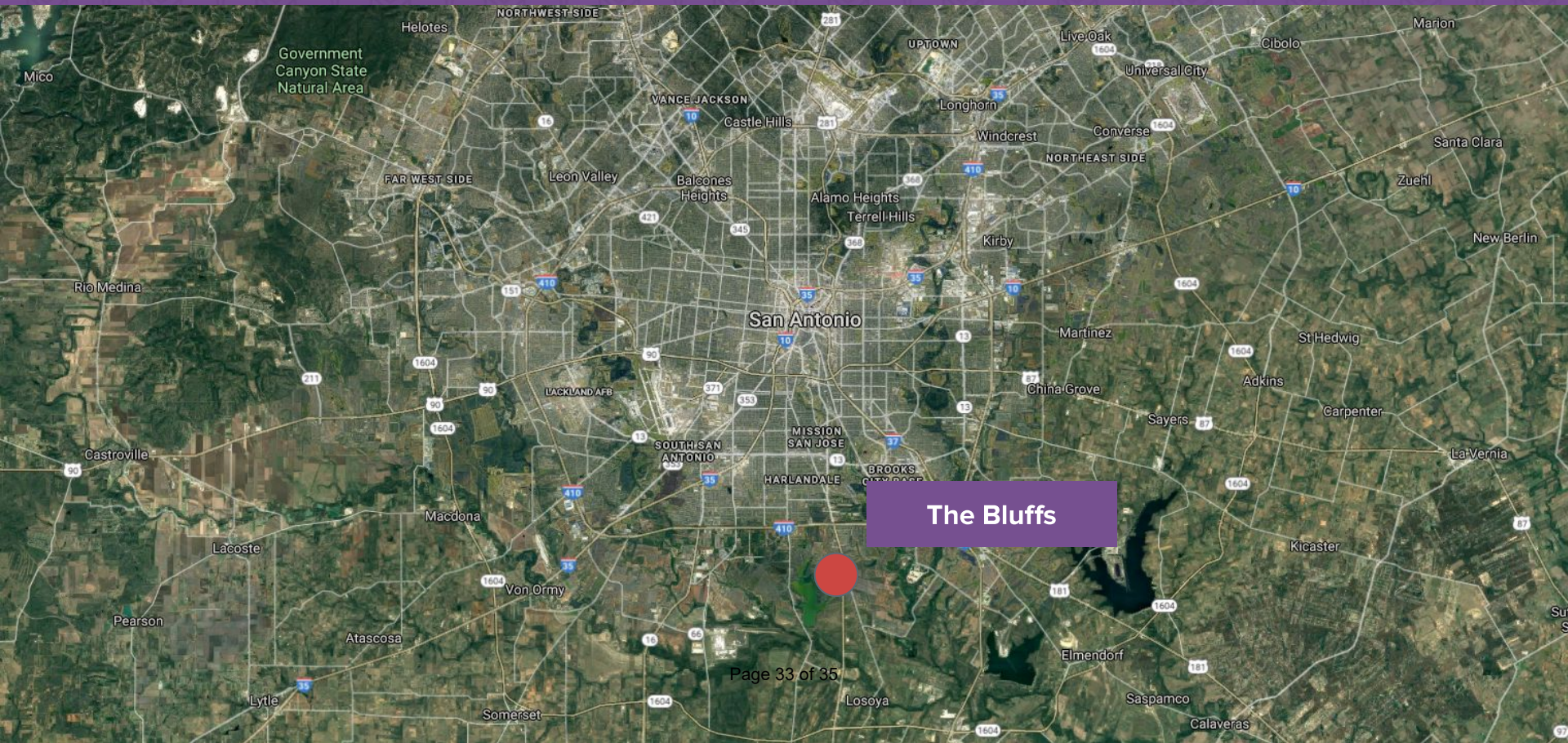
Title: _____



The Bluffs

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services and Neighborhood
Revitalization

MAP



The Bluffs

SITE



QUESTIONS?