

LILY SPRINGS APARTMENTS
Inducement

CERTIFICATE FOR RESOLUTION

The undersigned officer of Seguin Public Facility Corporation, a nonprofit public facility corporation created pursuant to the laws of the State of Texas (the “Corporation”) hereby certifies as follows:

1. In accordance with the bylaws of the Corporation, the Board of Directors of the Corporation (the “Board”) held a meeting on January 7, 2025 (the “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 INDUCING THE LILY SPRINGS APARTMENTS IN
PARTNERSHIP WITH THE LIGHTPATH COMPANY, LLC, TO BE
LOCATED NEAR THE NORTHEAST CORNER OF CORDOVA ROAD
AND HIGHWAY 46; AND AUTHORIZING THE EXECUTION OF A
TERM SHEET; AND AUTHORIZING AN AGREEMENT WITH
NAVARRO INDEPENDENT SCHOOL DISTRICT REGARDING
REVENUE SHARING FROM THE PROJECT; AND OTHER MATTERS
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 Articles of Incorporation and the Bylaws of the Corporation.

SIGNED January 7, 2025.

Name: Rick Cortes
Title: Executive Director

RESOLUTION INDUCING THE LILY SPRINGS APARTMENTS IN PARTNERSHIP WITH THE LIGHTPATH COMPANY, LLC, TO BE LOCATED NEAR THE NORTHEAST CORNER OF CORDOVA ROAD AND HIGHWAY 46; AND AUTHORIZING THE EXECUTION OF A TERM SHEET; AND AUTHORIZING AN AGREEMENT WITH NAVARRO INDEPENDENT SCHOOL DISTRICT REGARDING REVENUE SHARING FROM THE PROJECT; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Seguin, Texas (the “City”), has, pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created Seguin Public Facility Corporation, a nonstock, nonprofit public facility corporation (the “Corporation”);

WHEREAS, the Corporation, on behalf of the City, is empowered to finance the costs of public facilities that will provide decent, safe, and sanitary housing at affordable prices for residents of the City;

WHEREAS, The Lightpath Company, LLC or its affiliate (the “User”), has requested that (i) the Corporation finance the acquisition, construction, and equipping of a proposed approximately 282-unit multifamily housing facility to be located near the northeast corner of Cordova Road and Highway 46 and to be known as the Lily Springs Apartments (the “Project”);

WHEREAS, the Corporation has decided to partner with Navarro Independent School District (the “District”) to reduce the impact this Project may have on the District by agreeing to pay to the District or its designee the proposed \$500,000 closing fee for use in expanding Link Road, two-thirds of any annual rent it receives from the Project, and a one-time fee equal to fifteen percent (15%) of the net proceeds of the first sale of the Project (or the leasehold interest therein);

WHEREAS, the agreement with the District will be memorialized in a written agreement with the District which will be approved by the Board when the final documents for the Project are approved:

WHEREAS, this Resolution shall constitute the Corporation’s preliminary, non-binding commitment, subject to the terms hereof, to proceed;

WHEREAS, the Corporation and the User or an affiliate or affiliates thereof have defined their mutual relationship in a Term Sheet (the “Term Sheet”);

WHEREAS, the User has requested authorization to make all filings necessary to obtain and maintain equity and debt financing for the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of the City for the various entities to enter into the transactions described above so that the User may construct the Project; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SEGUIN PUBLIC FACILITY CORPORATION THAT:

Section 1. Subject to the terms hereof, the Corporation agrees that it will

(a) cooperate with the User with respect to the Project, and, if arrangements therefor satisfactory to the User and the Corporation can be made, take such action and authorize the execution of such documents and take such further action as may be necessary or advisable for the authorization, execution, and delivery of any contracts or agreements deemed necessary and desirable by the User or the Corporation in connection with the Project (collectively, the “Contracts”), providing among other things for financing, acquisition, construction, equipping, and improvement of the Project; and use, operation, and maintenance of the Project, all as shall be authorized, required, or permitted by law and as shall be satisfactory to the Corporation and the User;

(b) 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.

Neither the State of Texas (the “State”), the City, nor any political subdivision or agency of the State shall be obligated to pay any debt or other obligation of the User or the Project and that neither the faith and credit nor the taxing power of the State, the City, or any political subdivision or agency thereof is pledged to any obligation relating to the Project.

Section 2. It is understood by the Corporation, and the User has represented to the Corporation, that in consideration of the Corporation’s adoption of this Resolution, and subject to the terms and conditions hereof, the User has agreed that

(a) the User will (1) pay all Project costs which are not or cannot be paid or reimbursed from the proceeds of any debt and (2) indemnify and hold harmless the Corporation and the City against all losses, costs, damages, expenses, and liabilities of whatsoever nature (including but not limited to reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to the Project, or the design, construction, equipping, installation, operation, use, occupancy, maintenance, or ownership of the Project (other than claims arising from the gross negligence or willful misconduct of the Corporation or the City); and

Section 3. This Resolution shall be deemed to constitute the acceptance of the User’s proposal that it be further induced to proceed with providing the Project. **Neither the District, the User nor any other party is entitled to rely on this Resolution as a commitment to enter into the proposed transaction, and the Corporation reserves the right not to enter into the proposed transaction 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 District, the User nor any one claiming by, through or under the User, nor any investment banking firm or potential purchaser shall have any claim against the Corporation whatsoever as a result of any decision by the Corporation not to enter into the proposed transaction.**

Section 4. The Board authorizes the execution by the President, Vice President, Secretary, Treasurer or Executive Director of the Board of the Term Sheet setting forth the details of the Project.

Section 5. 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 6. 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 7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

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.

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