

RESOLUTION

AUTHORIZING THE SALE OF THE COSTA TARRAGONA I AND COSTA TARRAGONA II APARTMENTS TO HKSK CORP. (OR ITS PERMITTED ASSIGNS), CONSENTING TO THE ASSIGNMENT OF THE RESPECTIVE GROUND LEASES FOR SUCH APARTMENTS, AND APPROVING VARIOUS OTHER MATTERS REQUIRED IN CONNECTION WITH SUCH SALE

WHEREAS, in 2005 the Corpus Christi Housing Finance Corporation (the "Corporation") authorized the creation of Costa Tarragona I, Ltd., a Texas limited partnership, with CCHFC Costa Tarragona I, LLC, a Texas limited liability company, as its general partner, in order to develop the Costa Tarragona I Apartments (the "Costa Tarragona I Apartments") at 2240 N. Padre Island Drive on land leased from the Corporation under a low-income housing tax credit program in which all of the apartments are subject to restrictions for tenants making less than the Area Median Income; and

WHEREAS, in 2011 the Corporation authorized the creation of Costa Tarragona II, Ltd., a Texas limited partnership, with CCHFC Costa Tarragona II, LLC, a Texas limited liability company, as its general partner, in order to develop the Costa Tarragona II Apartments (the "Costa Tarragona II Apartments") at 2240 N. Padre Island Drive on land leased from the Corporation under a low-income housing tax credit program in which all of the apartments are subject to restrictions for tenants making less than the Area Median Income; and

WHEREAS, the tax credit periods under federal law have expired for both the Costa Tarragona I Apartments and the Costa Tarragona II Apartments, but both apartment projects remain subject to various restrictive covenants requiring that the apartments continue to be subject to restrictions on affordability for all of the apartments; and

WHEREAS, the tax credit investor for the Costa Tarragona I Apartments has given notice requiring the sale of the apartments in order to terminate the limited partnership in which the tax credit investor has invested, and the best economic feasibility for both projects is that they be sold together to a single purchaser; and

WHEREAS, the NRP Group has been the managing agent for both Costa Tarragona I Apartments and Costa Tarragona II Apartments and assisted the Corporation in retaining Berkadia Real Estate Advisors, LLC as a real estate broker with experience in marketing apartments subject to low-income housing affordability restrictions; and

WHEREAS, after listing both apartment projects for sale and soliciting proposals from over thirty qualified buyers, more than five proposals were received with the proposal from HKSK Corp. being determined as the best proposal offering \$17.1 million for both properties, to be divided with \$13.3 million for the Costa Tarragona I Apartments and \$3.8 million for the Costa Tarragona II Apartments, subject to the payment of outstanding bond and other indebtedness remaining from the construction of such apartments; and

WHEREAS, in order to proceed with the sale as proposed, the Corporation is required to authorize the approval of a Letter of Intent for such sale and purchase, the respective Purchase and Sale Agreements for Costa Tarragona I Apartments and Costa Tarragona II Apartments, the completion of the required due diligence by the purchaser as well as obtaining various required regulatory approvals, and upon the conclusion of the same the closing of the sale of such apartment projects according to the approved terms; and

WHEREAS, both the Costa Tarragona I Apartments and Costa Tarragona II Apartments shall remain upon and subject to the terms and conditions of the Ground Lease Agreements by the Corporation with the respective entities; and

WHEREAS, the Corporation anticipates that it may participate in a new entity to be created by the buyer of the apartment projects in order to continue the affordability covenants and the exemption from property taxation that has been provided to the apartment projects from the time(s) of their construction under terms and conditions that may be considered at a future meeting;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CORPUS CHRISTI HOUSING FINANCE CORPORATION THAT:

Section 1. Approval of Letter of Intent. The Corporation hereby approves the terms and conditions of the Letter of Intent from HKSK Corp. dated June 16, 2025, a copy of which has been furnished to the Board prior to the date of this Resolution, and the officers of the Corporation are authorized, on behalf of the Corporation acting as the sole member of the general partners of each of Costa Tarragona I, Ltd. and Costa Tarragona II, Ltd., to accept such Letter of Intent.

Section 2. Authorization of Sale of Costa Tarragona I Apartments. The Corporation hereby approves the terms and conditions of a Purchase and Sale Agreement between Costa Tarragona I, Ltd., as the seller, and HKSK Corp., as the buyer, a copy of the substantial form of which has been furnished to the Board prior to the date of this Resolution for the sales price of \$13.3 million, and the officers of the Corporation are authorized, on behalf of the Corporation acting as the sole member of the general partner of Costa Tarragona I, Ltd. to executed the final form of such Purchase and Sale Agreement.

Section 3. Authorization of Sale of Costa Tarragona II Apartments. The Corporation hereby approves the terms and conditions of a Purchase and Sale Agreement between Costa Tarragona II, Ltd., as the seller, and HKSK Corp., as the buyer, a copy of the substantial form of which has been furnished to the Board prior to the date of this Resolution, for the sales price of \$3.8 million, and the officers of the Corporation are authorized, on behalf of the Corporation acting as the sole member of the general partner of Costa Tarragona II, Ltd. to executed the final form of such Purchase and Sale Agreement.

Section 4. Completion of Due Diligence and Necessary Approvals. The Corporation hereby authorizes and directs its officers, attorneys and agents to cooperate with the buyer of the Costa Tarragona I Apartments and the Costa Tarragona II Apartments to complete its required due diligence and obtain all regulatory approvals necessary in connection with the sale of such

apartment projects according to the terms and conditions of the respective Purchase and Sale Agreements.

Section 5. Approval of Assignment of Ground Leases. The Corporation hereby authorizes the assignment of the respective Ground Leases for the Costa Tarragona I Apartments and the Costa Tarragona II Apartments to the buyer under the respective Purchase and Sale Agreements provided above, and the officers of the Corporation are authorized to execute such consents, approvals or other documents as may be required in connection with such assignments.

Section 6. Closing the Sales. Upon the completion of the due diligence by the buyer and obtaining all of the necessary regulatory approvals as provided above, the officers, attorneys and agents of the Corporation are authorized to close the sale of the Costa Tarragona I Apartments and Costa Tarragona II Apartments according to the terms and conditions of their respective Purchase and Sale Agreements and execute and deliver such assignments, bills of sale, certificates and other documents as may be required in connection with the closing of such sales.

Section 7. Any Further Participation With Buyer Subject to Future Approval. Aside from the approval of assignment of the Ground Leases as provided above, nothing herein shall be construed as the authorization of the Corporation to participate in any new entity or entities to be formed by the buyer of the Costa Tarragona I Apartments and Costa Tarragona II Apartments. Such participation shall be the subject of a future meeting of the Board of Directors and approval of same at such meeting.

DULY PASSED AND ADOPTED this ____ day of July, 2025.

ATTEST:

CORPUS CHRISTI HOUSING
FINANCE CORPORATION

By: _____
Rebecca Huerta, Secretary

By: _____
Everett Roy, President