



STRATEGIC HOUSING FINANCE CORPORATION

**October 3, 2017
SHFC Discussion Item 6A**

Resolution No. SHFC-2017-19: To Authorize the issuance, sale, and delivery of one or more series of taxable or tax-exempt multifamily housing revenue bonds (The Heights on Parmer Phase II Apartments Project) Series 2017; Approve the form and substance of and Authorize the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development; and other related provisions as necessary to complete the transaction.

The Board of Directors (the "**Board**") of STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY, a housing finance corporation created pursuant to Chapter 394 of the Texas Local Government Code ("**SHFC**"), in a meeting on October 3, 2017, adopted the following resolutions:

1. Land Acquisition.

WHEREAS, Ann Denton, is President of SHFC, John Hernandez is the Vice President of SHFC, Patrick Howard is the Executive Vice President and Secretary of SHFC, and Robert Onion is the Authorized Representative of SHFC (collectively, the "**Authorized Signatories**" and each, an "**Authorized Signatory**");

WHEREAS, SHFC is the sole member of SHFCTC PP II LLC, a Texas limited liability company (the "**General Partner**"), which is the sole general partner of Pedcor Investments-2016-CLVIII, L.P., a Texas limited partnership (the "**Partnership**");

WHEREAS, SHFC is also the sole member of SHFC Parmer Land LLC (the "**Landlord**"), a Texas limited liability company that is acquiring certain real property located in Austin, Texas (the "**Real Property**") on which a multi-family project is to be developed, to be known as "Heights on Parmer Phase II" (the "**Apartment Complex**");

WHEREAS, in connection with the acquisition of the Real Property, the Landlord will be required to enter into various documents to evidence such acquisition (collectively, the "**Acquisition Documents**"); and

WHEREAS, upon acquisition of the Real Property, the Landlord will lease the Real Property to the Partnership pursuant to a ground lease (the "**Ground Lease**"), in order for the Partnership to develop the Apartment Complex thereon;

RESOLVED, that (a) the Landlord is authorized to acquire the Real Property, to lease such Real Property to the Partnership, and to execute and deliver the Acquisition Documents and the Ground Lease; (b) SHFC, acting on behalf of the Landlord, is hereby authorized to execute and deliver the Acquisition Documents, the Ground Lease, and such other documents in connection therewith as may be necessary or desirable and do all things necessary or desirable to facilitate the acquisition of the Real Property and the lease thereof to the Partnership;



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and (c) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on behalf of the Landlord, is hereby individually authorized to (i) execute and deliver the Acquisition Documents and the Ground Lease, with such changes as in such person's discretion are deemed to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to facilitate the acquisition of the Real Property and the lease thereof to the Partnership.

FURTHER RESOLVED, that (a) the Partnership is authorized to obtain a leasehold interest in the Real Property and to execute and deliver the Ground Lease; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease and such other documents in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease and such other documents in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby individually authorized to (i) execute and deliver the Ground Lease, with such changes as in such person's discretion are deemed to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to facilitate the Partnerships' acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon.

2. Equity Financing.

WHEREAS, pursuant to a letter of intent dated June 12, 2017, U.S. Bancorp Community Development Corporation (the "**Equity Provider**") agreed to provide equity financing to the Partnership for the development of the Apartment Complex (the "**Equity Financing**");

WHEREAS, in connection with the Equity Financing, the General Partner will enter into an Amended and Restated Agreement of Limited Partnership for the Partnership (the "**Partnership Agreement**") with the Equity Provider and Heights on Parmer Phase Two, LLC, an Indiana limited liability company, as limited partners; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or SHFC to enter into certain documents associated with the Equity Financing, including but not limited to a Purchase Option and Right of First Refusal Agreement, a Development Services Agreement, a Guaranty, a Pledge and Security Agreement, and a Partnership Management Agreement (collectively, with the Partnership Agreement, the "**Equity Documents**");



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RESOLVED, that (a) the Partnership is authorized to obtain the Equity Financing from the Equity Provider and to execute and deliver the Equity Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents and such other documents in connection therewith as may be necessary or desirable and do all things necessary to facilitate the Equity Financing; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby individually authorized to (i) execute and deliver the Equity Documents, with such changes as in such person's discretion are deemed to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the Equity Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

3. Bridge Financing.

WHEREAS, First Merchants Bank (the "**Bridge Lender**") has agreed to make a bridge loan (the "**Bridge Loan**") to the Partnership in an amount of up to \$1,653,771 in order to finance the construction of the Apartment Complex;

WHEREAS, in connection with the Bridge Loan, the Partnership will execute one or more promissory notes (the "**Bridge Note**") payable to the Bridge Lender; and

WHEREAS, to secure the Partnership's obligations under the Bridge Note, the Partnership and/or the General Partner and/or SHFC will execute, for the benefit of the Bridge Lender, an Equity Bridge Loan Agreement, a Collateral Assignment of Equity Payments, a Collateral Assignment of Partnership Interest, and certain other documents evidencing, governing and/or securing the Partnership's obligations under the Bridge Note (collectively, together with the Bridge Note, the "**Bridge Loan Documents**");

RESOLVED, that (a) the Partnership is authorized to obtain the Bridge Loan from the Bridge Lender and to execute and deliver the Bridge Loan Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Bridge Loan Documents and do all things necessary to facilitate the Bridge Loan; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Bridge Loan Documents and such other documents and instruments in connection therewith as may be necessary or desirable and do all things necessary to facilitate the Bridge Loan; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby individually authorized to (i) execute and deliver the Bridge Loan Documents, with such changes as in such person's discretion are deemed to be necessary or desirable, and



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such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the Bridge Loan and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

4. Bond and HUD Financing.

WHEREAS, SHFC (in such capacity, the "Issuer") has agreed to issue its Multifamily Housing Revenue Bonds (The Heights on Parmer Phase II Apartments Project) Series 2017 in the aggregate principal amount of up to \$12,500,000 (the "Bonds"), which will be purchased by United Fidelity Bank, fsb (the "Bond Purchaser");

WHEREAS, in connection with the Bonds, P/R Mortgage & Investment Corp. (the "Lender") has agreed to originate a mortgage loan, which will be insured by the United States Department of Housing and Urban Development ("HUD"), to the Partnership in an amount of up to \$11,181,000 (the "HUD Loan") pursuant to that certain HUD Commitment, dated May 8, 2017, as the same may be amended from time to time, identified as FHA Project No. 115-35782;

WHEREAS, in connection with the HUD Loan, the Partnership will execute a mortgage note (the "HUD Note") payable to the Lender;

WHEREAS, to secure the Partnership's obligations under the HUD Note, the Partnership and/or the General Partner and/or SHFC will execute, for the benefit of the Lender, certain other documents, including but not limited to a Building Loan Agreement, a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement, a Regulatory Agreement, and certain other documents evidencing, governing and/or securing the Partnership's obligations under the HUD Note (collectively, together with the HUD Note, the "HUD Loan Documents");

WHEREAS, the proceeds from the sale of the Bonds will be loaned by the Issuer to the Partnership to finance a portion of the development of the Apartment Complex (the "Bond Financing") pursuant to a Financing Agreement by and between the Issuer, the Partnership, the Lender, the Bond Purchaser and BOKF, NA as the escrow agent (the "Financing Agreement");

WHEREAS, in connection with the Bond Financing, the Partnership will execute a promissory note (the "Bond Note") payable to the Issuer; and

WHEREAS, to secure the Partnership's obligations under the Bond Note, the Partnership and/or the General Partner and/or SHFC will execute, for the benefit of the Issuer, certain other documents, including but not limited to an Escrow Agreement, a Bond Purchase Agreement, a Placement Agent Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, a subordinate deed of trust, and a subordination agreement



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(collectively with the Financing Agreement and the Bond Note, the "**Bond Documents**" and the Bond Documents and the HUD Loan Documents are referred to collectively herein as the "**Bond and HUD Financing Documents**");

RESOLVED, that (a) the Partnership is authorized to borrow the proceeds of the Bonds from the Issuer and the HUD Loan from the Lender and to execute and deliver the Bond and HUD Financing Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Bond and HUD Financing Documents and do all things necessary to facilitate the HUD Financing and the Bond Financing; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Bond and HUD Financing Documents and such other documents and instruments in connection therewith as may be necessary or desirable and do all things necessary to facilitate the HUD Financing and the Bond Financing; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby individually authorized to (i) execute and deliver the Bond and HUD Financing Documents, with such changes as in such person's discretion are deemed to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the HUD Financing and the Bond Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

5. Service-Related Agreements.

WHEREAS, the Partnership has engaged Pedcor Development Associates, LLC, an Indiana limited liability company ("**PDA**"), to provide construction, development, monitoring and related administrative management services for the Apartment Complex;

WHEREAS, pursuant to a Memorandum of Understanding, Pedcor Investments, A Limited Liability Company ("**Pedcor Investments**"), as an affiliate of PDA, agreed to share a portion of the development fee with SHFC as compensation for SHFC's undertaking of certain responsibilities with respect to the Apartment Complex;

WHEREAS, in connection with the MOU and the engagement of PDA as developer, SHFC will enter into a Development Fee Sharing Agreement with PDA (the "**Fee Sharing Agreement**") to outline the terms under which PDA will compensate SHFC for undertaking certain responsibilities with respect to the Apartment Complex; and

WHEREAS, SHFC/Pedcor Construction JV, a joint venture between SHFC and an affiliate of Pedcor Investments, has been engaged by the Partnership to serve as contractor of the Apartment Complex, the terms of which to be outlined in a Joint Venture Agreement ("**JV Agreement**");



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RESOLVED, that (a) SHFC is authorized to enter into the Fee Sharing Agreement, to execute and deliver the Fee Sharing Agreement, and to carry out such obligations as are required in connection with its receipt of a portion of the development fee; (b) SHFC is authorized to enter into the JV Agreement and to execute and deliver the

JV Agreement; and (c) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, is hereby individually authorized to (i) cause SHFC to execute and deliver the Fee Sharing Agreement and the JV Agreement, with such changes as in such person's discretion are deemed to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause SHFC to perform its obligations thereunder.

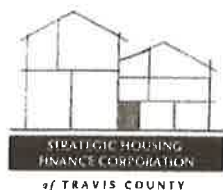
6. Authorization/Ratification.

RESOLVED, that any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is individually authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of SHFC, the General Partner, and/or the Partnership, as applicable, as such person shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by an Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, prior to the date this consent is actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

FURTHER RESOLVED, that the Secretary of the Corporation is authorized to certify and attest to the adoption and approval of the foregoing resolutions by the Board of Directors.

[Certification page follows.]



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NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Directors of the Corporation hereby:

1. Approves Resolution SHFC-2017-19,
2. Authorizes the Executive Vice President to execute all relevant policies and procedures.

Passed and approved the 3rd day of October, 2017.

Ann Denton, President, Board of Directors

Attested and approved as to form:

Patrick B. Howard, Executive Vice President