



STRATEGIC HOUSING FINANCE CORPORATION

October 3, 2017  
SHFC Discussion Item 6B

**Resolution No. SHFC-2017-20:** To Authorize the debt financing, equity financing, property acquisition, service related agreements and other matters necessary or convenient for Strategic Housing Finance Corporation of Travis County to participate in the development and operation of the Heights on Parmer Apartments Phase II transaction and authorizing the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject.

The undersigned (the "**Member**"), being the sole member of SHFCTC PP II LLC, a Texas limited liability company (the "**Company**"), hereby adopts the following resolutions and consents to each and every action effected thereby:

1. Land Acquisition.

**WHEREAS**, the Company is the sole general partner of Pedcor Investments-2016-CLVIII, L.P., a Texas limited partnership (the "**Partnership**");

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

**WHEREAS**, the Partnership will acquire a leasehold interest in certain real property located in Austin, Texas (the "**Real Property**") in order for the Partnership to develop thereon a multi-family project to be known as "Heights on Parmer Phase II" (the "**Apartment Complex**"); and

**WHEREAS**, in connection with the acquisition of a leasehold interest in the Real Property, the Partnership, as tenant, will enter into a ground lease (the "**Ground Lease**") with SHFC Parmer Land LLC as landlord;

**RESOLVED**, that (a) the Partnership is authorized to acquire a leasehold interest in the Real Property and to execute and deliver the Ground Lease; (b) the Company, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease 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) the Member, acting on its own behalf or on behalf of the Company, 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 and instruments in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the Partnership's 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



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any other duly authorized officer of the Member), each acting on behalf of the Member, acting on its own behalf or on behalf of the Company, 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 Partnership's 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 Company 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 Company and/or the Member 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");

**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 Company, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents and do all things necessary and desirable to facilitate the Equity Financing; (c) the Member, acting on its own behalf or on behalf of the Company, 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 the Member), each acting on behalf of the Member, acting on its own behalf or on behalf of the Company, 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 Company's and/or the Member'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;



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**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 Company and/or the Member 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 Company, acting on its own behalf or on behalf of the Partnership, is authorized to execute and deliver the Bridge Loan Documents and do all things necessary to facilitate the Bridge Loan; (c) the Member, acting on its own behalf or on behalf of the Company, 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 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 the Member), each acting on behalf of the Member, acting on its own behalf or on behalf of the Company, 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 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 Company's obligations thereunder.

**4. Bond and HUD Financing.**

**WHEREAS**, the Member (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;



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**WHEREAS**, to secure the Partnership's obligations under the HUD Note, the Partnership and/or the Company and/or the Member 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**"); and

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

**WHEREAS**, to secure the Partnership's obligations under the Bond Note, the Partnership and/or the General Partner and/or the Member 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, and a Regulatory Agreement and Declaration of Restrictive Covenants (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 Company, 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) the Member, acting on its own behalf or on behalf of the Company, 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 the Member), each acting on behalf of the Member, acting on its own behalf or on behalf of the Company, 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 Company's and/or the Member's obligations thereunder.



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**5. Authorization/Ratification.**

**RESOLVED**, that any Authorized Signatory (or any other duly authorized officer of the Member), each acting on behalf of the Member, acting on its own behalf or on behalf of the Company, 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 the Member, the Company, 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 the Member), each acting on behalf of the Member, acting on its own behalf or on behalf of the Company, 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.

[Signature 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-2017-20,
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