Rowlett
Housing Finance Corporation

4113 Main Street, Suite 105
Rowlett, TX 75088
rowletthfc.org

Board of Directors Meeting
Thursday, March 28th, 2024, at 4:00 p.m.
5702 Rowlett Rd., Rowlett, TX 75089

AGENDA

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the RHFC legal counsel on any agenda item herein. The Board of Directors reserves the right to reconvene, recess or realign the Regular meeting agenda or called Executive Session or order of business at any time prior to adjournment.

1. **Call to order.**

2. **Public input:**
   The Board of Directors may receive public input on any of the agenda items listed below.

3. **Approval of Minutes:**
   Consider and take action to approve the minutes of the February 29, 2024, Rowlett Housing Finance Corporation Board meeting.

4. **January 2024 financial report.**
   a. **Audit update/estimate.**

5. **Update/discussion on Lakeview Pointe Seniors(contracts/agreement)**
   a. **Update from Chapman and Culter (memo and 2024 loan transaction)**
   b. **Discuss and take any necessary action.**

6. **Discuss and take necessary action on contract Ryan Bowen (Chapman and Cutler) and cost of retainer for services.**

7. **Update/discussion from Ryan Bowen with Chapman and Cutler on any necessary action to dissolve Vista North Shore entities.**

8. **190/Main update**

   a. **Kenneth W. Fambro, Chief Operating Officer Integrated Real Estate Group**

9. **Discuss and take necessary action on letters of engagement from Hilltop Securities Inc.**

   a. **JPI Development**

   b. **Lakeview Seniors**

10. **Items of Community Interest, Topics for future agenda: Members of the Board may request topics to be placed on the agenda for a subsequent meeting. Any deliberation or decision shall be limited to a proposal to place the topic on the agenda for a subsequent meeting.**

Rowlett
Housing Finance Corporation

Board of Directors Meeting Minutes

Thursday, February 29, 2024, at 4:00PM

5720 Rowlett Rd., Rowlett TX 75089

1. **Call to order:**
   President Winget called the meeting to order at 4:01PM with a quorum present (Directors Winget, Holston, Schupp, Dunnican and Kull). Also Present was Attorney Berman, Kellie McKee, Laurie Galuardi, Claire Lastrapes with Hilltop Securities and Rachael Jensen with Chapman and Cutler.

2. **Public Input:**
   There was no public input.

3. **Approval of Minutes**
   Consider and take Action to approve the Minutes. Director Holston made a Motion to Approve the minutes of February 14, 2024, as submitted. Director Schupp seconded the motion, and the motion was approved unanimously.
   Executive Director Urrutia recommended that the HFC Board recess into Executive Session before taking up Agenda Item 4, to discuss Agenda Item 6 with Legal Counsel, and to take up item 6 before item 4.
   The Board went into Executive Session and adjourned at 4:36PM.

4. **Update/Discussion on Lakeview Pointe Seniors (Contracts/ Agreements):**
   The regular HFC Board meeting continued with Bill and Melissa Fisher in attendance as well as Kellie McKee, Laurie Galuardi, Ms. Lastrapes, and Ms. Jensen. President Winget asked the Fishers to explain their understanding of the terms of the loan extension the HFC Board is being asked to approve, and he said the City Council and HFC Board understood only tax credits would be required for collateral for the loan extension now under consideration. It now appears from the loan documents we have received for review that may not be the case. Mr. Fisher said he told the

IBC Bank and their lawyers that property would not be collateral, and if the Bank has indicated otherwise, our attorney should contact the Bank. Attorney Berman pointed out the loan documents he reviewed seem to indicate everything was collateral, property, litigation proceeds, insurance settlements, tax credits and much more. President Winget asked Ms. Fisher if any or all of the litigation proceeds would go to RISE, the Project Developer. Mr. Fisher said if litigation proceeds were forthcoming in a check, all parties would be required to sign. President Winget asked, Mr. Fisher to explain the ongoing litigation, and how it was filed without HFC participation. Mr. Fisher said they faced a deadline to file for damages claim. The lawsuit is against Oncor, their Insurance Company, several other insurance carriers, and several sub-contractors. Since it was for their damages, it had to be filed by them. Director Dunnican asked if the lawsuit was intended to release funds being held by the Insurance Company. Mr. Fisher said the Insurance Company has paid some of the claim but is not paying the rest pending the outcome of the lawsuits against some thirteen other entities. Director Dunnican then asked if the loan now being considered was an extension of another loan. Mr. Fisher said they originally estimated.
needing seven million dollars to repair damages and complete the project. The IBC Bank agreed to a loan based on the likely successful settlements. But they only released half of the total loan, or three million dollars, which has now been exhausted, so they are requesting the remaining half now in order to continue/complete construction and thereby lease units to generate income. He also said there was no balloon payment due on the existing loan (the first half of the total loan IBC originally approved) and if the new loan is not forthcoming construction would stop. However, he said the bank really is obligated to complete the project, and it is totally in their best interests to do so. President Winget pointed out that since this is an extension of an existing loan, and we have not seen the original loan documents, it is essential that our legal advisors obtain those documents for their review before going further in this process.

President Winget asked the HFC Board if they would agree to input from a meeting guest, who is an insurance litigator, Kellie McKee. After her comments, Ms. Fisher said they have sued Oncor for twelve million dollars, but Oncor has only agreed to 7.5 million dollars and have paid only half of

that to date. Mr. Fisher said he recommended that our attorneys advise us on how to proceed. Ms. Fisher said they hope to finish this project by April 2024. Mr. Fisher said the City would receive a $600,000 PILOT payment before any other funds were dispersed. He then explained how the HFC, the city, Developer and investors would be paid. President Winget asked why they needed to purchase more bonds, and Mr. Fisher said that was an IRS requirement. Director Schupp reiterated the City Council will want to review the original loan documents, among other items. Mr. Fisher said he had already sent the original loan document to Executive Director Urrutia. Executive Director Urrutia said all issues, questions and concerns will need to be resolved before we go forward with approval and/or recommendation to the City Council. Mr. Fisher said he would provide everything required in order to proceed. There being no further questions, President Winget said we would move on to item 4 on the agenda.
No action was taken on this item.

5. **Discuss and take any necessary action on Proposal by JPI for a Development in the North Shore Area:**
This portion of the meeting was attended by Miller Sylvan and Scott Turner with JPI, and Claire Lastrapes with Hilltop Securities. President Winget addressed a revised MOU from JPI and said nothing material changed in dollar amount from the previously reviewed MOU, but the 50/50 split between the City and HFC has been changed per directions from our last meeting. He also added they had met with the Rowlett City Manager and Mayor and felt they were happy with the revised MOU. Ms. Lastrapes presented the revised MOU in spreadsheet format.
She reviewed the dollar amounts and related distributions in detail. The revised MOU will be attached as part of these minutes. [Attached a screen shot of the spreadsheet]. Mr. Sylvan said there were no calculations for the single-family part of this project since that was a different development. He also said the property tax line included all property taxes, not just the City property taxes. Director Dunnican asked if there are any spending restrictions on the funds going to the City. Director Schupp and Attorney Berman said funds going to the City are unrestricted, and funds going to the HFC are subject to HFC rules. Ms. Lastrapes said the total value of this project is 186 million dollars. President Winget asked if HB 2071 applies to the MOU and Ms. Lastrapes said it did not. President Winget asked if JPI would commit to a one-time, up-front payment of $50,000 to the HFC Foundation, and Mr.

Sylvan and Mr. Turner agreed they would do that. President Winget repeated that the revised MOU will still need City Council approval. Mr. Sylvan said they have all the building permits, everything they need to begin construction. Executive Director Urrutia said that we are not approving this project, the project is going to happen, we are approving benefits from the project going to the City and HFC. President Winget said this may be the last real opportunity the HFC has to secure resources in order to focus on our real mission to help lower income people purchase affordable single-family houses. Director Dunnican said we are not approving more multi–family housing by approving this MOU, since this project has already been approved by P& Z and the City, we are approving an opportunity to help first time home buyers. Director Holston observed this is a better deal for the City because it will generate more income than City property Taxes on this project would. President Winget asked if there were more questions or were we ready for a motion on this agenda item with three changes: Section H, Part 4, Section C leave $940,000, Section 5 leave one up front/one-time payment of $50,000 to the HFC Foundation and adjust the Partnership Management fee by $10,000 per year with a 3% per year increase. Director Dunnican made a motion to approve the revised MOU with the three changes. Director Holston seconded the motion, with the additional change that the valuation of 1.1 million dollars be locked in so it cannot be changed. Director Dunnican agreed to this amendment to her motion, and the motion passed as amended unanimously.

6. **January 2024 Financial Report:**

   President Winget said there was operating revenue of $10,028, and an operating loss of $20,721, with a total net operating loss for the month of January, 2024 of $10,603. There was an end of year net position of 1.73 million dollars. Executive Director Urrutia said he would like further direction on the HFC Board request for an audit. Director Schupp said a forensic audit was not necessary, since no malfeasance was suspected to be involved, but just need an outside third party look at the financial record we inherited from the previous HFC Board. President Winget said he thought it was a good idea to have a third party look at our operation, especially if it is done by an organization familiar with HFC complexities. Executive Director Urrutia said he would pursue this and report back to the Board.

   No action was taken on this agenda item.

Rowlett
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7. **Discuss and take any necessary action on Vista North Shore**:
Attorney Bowen has advised the HFC Board there is no longer a need for any entities that were created by Vista North Shore, since that development was discontinued. He offered to help with any legal issues that may be necessary to dissolve those entities. The Board indicated it might be important to have Attorney Bowen advise us if any action is necessary after he looks further into this matter.
No action was taken on this agenda item.

8. **Discuss and take any necessary action on securing Legal Services from Ryan Bowen with Chapman and Cutler LLP and/or David Berman with Nichols Jackson:**
President Winget said the HFC Board has received letters of engagement from both firms, and he suggested that Attorney Berman could be our day-to-day council, while Attorney Bowen could handle real estate matters, he has experience and expertise in. President Winget then said Attorney Bowen could be our primary council, with Attorney Berman serving to support Attorney Bowen. Director Holston made a motion to accept the letter of engagement from Chapman and Cutler provided their fee is reduced to $750. Director Dunnican seconded the motion, and the motion passed unanimously.

9. **Items of Community Interest, Topics for Future Agendas**:
Director Dunnican asked about a retainer for Attorney Bowen. Ms. Jensen said she would check with him on that. President Winget said the next agenda should include follow up discussion on the status of the requested audit, a report from Attorney Bowen on any necessary action to dissolve the Vista North Shore entities, a presentation from ONE90 Main, and work on a statement defining the HFC mission.
The next meeting of the HFC Board is scheduled for March 28.

10. **Adjournment:**
There being no further business, the meeting adjourned at 6:36PM.

Approved on_____, 2024.

_____ _____Jeff Winget 2024

President Richard Kull 2024 Secretary

ROWLETT HOUSING FINANCE CORPORATION
STATEMENT OF NET POSITION
FEBRUARY 29, 2024

	Primary Government Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 187,454
Investments	621,784
Accounts receivable - annual issuer fee	9,375
Prepaid expense	6,293
Total current assets	824,906
Capital assets, net of accumulated depreciation	6,582,323
Other assets:	
Deposits	560
Investments in Interagency Home Financing Cooperative	15,000
Total other assets	15,560
Total assets	7,422,789
LIABILITIES	
Current liabilities:	
Accounts payable	7,506
Accrued payroll liabilities	63
Total liabilities	7,569
DEFERRED INFLOW OF RESOURCES	
Deferred inflows related to land leases	6,251,065
NET POSITION	
Net investment in capital assets	331,258
Unrestricted	832,897
Total net position	$ 1,164,155

Selected information – Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

No assurance is provided on these financial statements.

ROWLETT HOUSING FINANCE CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
TWO MONTHS ENDED FEBRUARY 29, 2024

		Primary Government Enterprise Fund
Operating revenue:		
Annual issuer fees - Savannah at Lakeview	$	6,250
Agency fees		1,423
Land lease income		10,956
Other income		307
Total operating revenue		18,936
Operating expenses:		
Salary and related benefits		15,887
Professional services (accounting & legal)		20,016
Office expense		5,610
Property and liability insurance		178
Conference and travel expense		215
Total operating expenses		41,906
Net operating loss		(22,970)
Non-operating income (expense):		
Interest income		6,378
Change in net position		(16,592)
Net position:		
Beginning of year		1,180,747
End of year	$	1,164,155

Selected information – Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded in the monthly financial statements.

SUPPLEMENTAL INFORMATION

ROWLETT HOUSING FINANCE CORPORATION
COMBINING STATEMENT OF NET POSITION
FEBRUARY 29, 2024

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
ASSETS													
Current assets:													
Cash and cash equivalents	$ 14,018	$ 10,752	$ 10,752	$ 10,753	$ 10,752	$ 10,752	$ 10,752	$ 10,752	$ 10,751	$ 87,420	$ 187,454	$ -	$ 187,454
Investments	621,784	-	-	-	-	-	-	-	-	-	621,784	-	621,784
Accounts receivable - annual issuer fee	9,375	-	-	-	-	-	-	-	-	-	9,375	-	9,375
Intercompany receivable	4,642	-	-	-	-	3,093	-	-	-	-	7,735	(7,735)	-
Prepaid expense	6,293	-	-	-	-	-	-	-	-	-	6,293	-	6,293
Total current assets	656,112	10,752	10,752	10,753	10,752	13,845	10,752	10,752	10,751	87,420	832,641	(7,735)	824,906
Capital assets, net of accumulated depreciation	-	-	2,312,612	-	-	-	-	-	4,269,711	-	6,582,323	-	6,582,323
Other assets:													
Deposits	560	-	-	-	-	-	-	-	-	-	560	-	560
Investments in LLCs	80,000	-	-	-	-	15,000	-	-	-	-	95,000	(80,000)	15,000
Total other assets	80,560	-	-	-	-	15,000	-	-	-	-	95,560	(80,000)	15,560
Total assets	736,672	10,752	2,323,364	10,753	10,752	28,845	10,752	10,752	4,280,462	87,420	7,510,524	(87,735)	7,422,789
LIABILITIES													
Current liabilities:													
Accounts payable	7,506	-	-	-	-	-	-	-	-	-	7,506	-	7,506
Intercompany payable	1,423	865	323	324	323	323	323	323	323	3,185	7,735	(7,735)	-
Accrued payroll liability	63	-	-	-	-	-	-	-	-	-	63	-	63
Total current liabilities	8,992	865	323	324	323	323	323	323	323	3,185	15,304	(7,735)	7,569
DEFERRED INFLOW OF RESOURCES													
Deferred inflow of resources for land leases	-	-	2,168,561	-	-	-	-	-	4,082,504	-	6,251,065	-	6,251,065
NET POSITION													
Net investment in capital assets	-	-	144,051	-	-	-	-	-	187,207	-	331,258	-	331,258
Unrestricted	727,680	9,887	10,429	10,429	10,429	28,522	10,429	10,429	10,428	84,235	912,897	(80,000)	832,897
Total net position	$ 727,680	$ 9,887	$ 154,480	$ 10,429	$ 10,429	$ 28,522	$ 10,429	$ 10,429	$ 197,635	$ 84,235	$ 1,244,155	$ (80,000)	$ 1,164,155

Selected information – Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

ROWLETT HOUSING FINANCE CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
TWO MONTHS ENDED FEBRUARY 29, 2024

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
Operating revenue:													
Annual issuer fees - Savannah	$ 6,250	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,250	$ -	$ 6,250
Agency fees	-	-	-	-	-	1,423	-	-	-	-	1,423	-	1,423
Land lease income	-	-	3,893	-	-	-	-	-	7,063	-	10,956	-	10,956
Other income	307	-	-	-	-	-	-	-	-	-	307	-	307
Total operating revenue	6,557	-	3,893	-	-	1,423	-	-	7,063	-	18,936	-	18,936
Operating expenses:													
Salary and related benefits	15,887	-	-	-	-	-	-	-	-	-	15,887	-	15,887
Professional services (accounting & legal)	16,240	-	323	323	323	323	323	323	323	1,515	20,016	-	20,016
Office expense	5,610	-	-	-	-	-	-	-	-	-	5,610	-	5,610
Property and liability insurance	178	-	-	-	-	-	-	-	-	-	178	-	178
Conference and travel expense	215	-	-	-	-	-	-	-	-	-	215	-	215
Total operating expenses	38,130	-	323	323	323	323	323	323	323	1,515	41,906	-	41,906
Net operating income (loss)	(31,573)	-	3,570	(323)	(323)	1,100	(323)	(323)	6,740	(1,515)	(22,970)	-	(22,970)
Non-operating income (expense):													
Interest income	5,650	91	91	91	91	91	91	91	91	-	6,378	-	6,378
Change in net position	(25,923)	91	3,661	(232)	(232)	1,191	(232)	(232)	6,831	(1,515)	(16,592)	-	(16,592)
Net position:													
Beginning of year	753,603	9,796	150,819	10,661	10,661	27,331	10,661	10,661	190,804	85,750	1,260,747	(80,000)	1,180,747
End of year	$ 727,680	$ 9,887	$ 154,480	$ 10,429	$ 10,429	$ 28,522	$ 10,429	$ 10,429	$ 197,635	$ 84,235	$ 1,244,155	$ (80,000)	$ 1,164,155

Selected information – Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

MEMORANDUM

TO: Rowlett Housing Finance Corporation Board of Directors (the *"Board"*)

FROM: Peter Urrutia, Executive Director
Ryan Bowen, Chapman and Cutler LLP (*"Chapman"*)
Tim Nelson, Hilltop Securities, Inc. (*"Hilltop"*)

DATE: March 28, 2024

RE: $3,500,000 Loan from IBC to Savannah at Lakeview, LP

The Rowlett HFC is the sole member of Savannah at Lakeview GP, LLC, the general partner (the *"General Partner"*) of Savannah at Lakeview, LP (the "*Partnership*"). The Board, as sole member of the General Partner, is asked to consider and approve a resolution (the *"March 28 Resolution"*) to authorize the Partnership to obtain an additional loan of approximately $3,500,000 from the International Bank of Commerce ("*IBC*") to partially finance costs related to restoration of fire damage at the "Lakeview Pointe Senior Living" multifamily development (the "*Development*"), and to authorize the Partnership and/or General Partner to execute and deliver certain documents in connection with the Partnership's receipt of the loan.

Construction of the Development was originally financed in part with the proceeds of the sale of the Rowlett Housing Finance Corporation Multifamily Revenue Note (Savannah at Lakeview Senior Living) Series 2017 (the *"Bonds"*) to IBC (in such capacity, the *"Bondholder"*), and partial restoration of the Development following the fire damage was financed with the proceeds of a 2023 loan from IBC in the amount of $3,446,491 (the *"2023 Loan"*).

Per the representatives of Rise Residential Construction, LP (the *"Contractor"*) and Rise Residential Development, LP (the *"Developer,"* and collectively with the Contractor, *"Rise"*), the Partnership expects to receive proceeds from the settlement of litigation against the utility companies involved in the work that led to the fire and damage to the Development (the *"Litigation Proceeds"*). 42EP IBC Fund II, LP, as Investor Limited Partner in the Partnership, is scheduled to make periodic capital contributions to the Partnership based on the Development's receipt of low income housing tax credits (the *"Capital Contributions"*).

IBC intends to provide an additional loan in the amount of $3,500,000, as requested by the Partnership to complete the restoration of the fire damaged property (the *"2024 Loan"*), which loan would be secured by the Litigation Proceeds and a pledge from the Partnership to repay the 2024 Loan ahead of the 2023 Loan from any available Capital Contributions to the Partnership.

During its February 29, 2024 meeting, the Board discussed its expectations for securing the 2024 Loan, including the condition that the 2024 Loan must not be secured by the land on which the Development is located. With this instruction, Chapman, as counsel, and Hilltop, as financial advisors to the Rowlett HFC, negotiated revisions to the loan documents. IBC's counsel distributed documents (that have been provided to the Board in connection with its consideration

of the March 28 Resolution), which are consistent with Chapman's understanding of the parameters the Board discussed. Specifically:

- Any references to a real estate lien, deed of trust, or other references that would indicate the loan is secured by real property in the documents have been removed.

- The description of "collateral" in the loan documents has been limited to that certain personal property pledged by Rise, which along with Melissa Fisher in an individual capacity, are guarantors of the 2024 Loan, and the Partnership.

- The real property and the improvements associated with the Development are no longer described as collateral.

Additionally, Chapman recommended changes to the loan documents to clarify the priority of the loans (such that the Bond loan remains a first priority loan, and the 2023 Loan and 2024 Loan are subordinate) and to clarify that the Bondholder has consented to the additional indebtedness for the Development, as required under the Bond documents. Those changes have been incorporated into the loan documents.

If you have any questions regarding the March 28 Resolution and related documents, Peter Urrutia (Executive Director) Ryan Bowen (Chapman), Tim Nelson (Hilltop) and Rise will be available prior to and at the meeting to discuss.

Rowlett Housing Finance Corporation

Memo

To: Rowlett Housing Finance Corporation Board of Directors

From: Peter D, Urrutia, Executive Director RHFC

Date: March 25, 2024

Chapman and Cutler engagement letter

Ryan Bowen with Chapman and Cutler has agreed to the following request from the Rowlett Housing Finance Corporation regarding legal services.

1) Would Chapman and Cutler consider charging the RHFC a flat, monthly fee of $1500.00, (opposed to the $2000.00 fee) which would include physical attendance (and related out-of-pocket costs) at a regular RHFC Board of Directors meeting and routine matters that occur during such month. (yes)

2) Would Chapman and Cutler consider charging the RHFC a fee of $750.00? Opposed to the $1000.00 (yes)

If attendance at a Board of Directors meeting is not required, then such monthly fee be reduced accordingly, and, subject to the following paragraph, shall not exceed $750.00 (opposed to the $1000.00) (yes)

HilltopSecurities
A Hilltop Holdings Company

Timothy Earl Nelson
Managing Director – Public Finance
Tim.Nelson@hilltopsecurities.com
512-481-2022

2700 Via Fortuna
Suite 410; Building 2
Austin, Texas 78746

March 13, 2024

VIA E-MAIL

Jeff Winget
Rowlett Housing Finance Corporation
4113 Main St Suite 105
Rowlett, TX 75088

Mr. Winget,

As you know, Hilltop Securities Inc. ("Hilltop") is currently providing **Rowlett Housing Finance Corporation** (the "Client") with municipal advisory services pursuant to a certain **Municipal Advisory Agreement, dated 8/30/2017** (the "MA Agreement"). The MA Agreement provides for Hilltop to advise the Client regarding the issuance and sale of certain indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Client from time to time during the term of the MA Agreement.

The Client has requested that Hilltop provide certain additional advisory services in connection with the participation of the Client as the parent entity of, and the 100% sole member of, the proposed **"to-be-formed" GP LLC** (the "Company") in the ownership partnership of **Jefferson Merritt 190, L.P.** (the "Borrower") sponsored **Jefferson Merritt Park – Phase I** (the "Transaction"). Hilltop and the Client believe that the requested services related to the Transaction are not within the description of services of the MA Agreement. Therefore, we are pleased to submit this agreement and set-forth terms for the engagement of Hilltop by the Client as its advisor for the term of this letter agreement (the "Agreement") with respect to the Transaction.

Description of Services

Upon the request of an authorized representative of the Client, Hilltop agrees to perform the consulting services stated in the following provisions of this Agreement and, for having rendered such services, the Company agrees to pay to Hilltop the compensation as provided in Attachment A. Hilltop will provide:

1. Negotiation; Documentation: Assist the Company in negotiating and reviewing all partnership related documentation for the Transaction;

2. Advice: Provide advice to the Company regarding the amount and timing of payments to be received for each of the roles contemplated related to the proposed multifamily development;

3. Meetings: Agree to attend all Board Meetings as requested by the Company;

4. Conference Calls: Agree to be available for all conference calls/meetings as requested by the Company; and

5. Closing of Transaction: Assist the Company in closing of the Transaction, including, if applicable, the generation of the Closing Memorandum.

Compensation and Expense Reimbursement

The fees and reimbursable expenses due to Hilltop for the services set-forth and described herein shall be in accordance with Attachment A, attached hereto. Payment for services shall be due and payable upon receipt of an invoice therefor.

Term and Termination

This Agreement shall become effective as of the date executed by the Client as set-forth on the signature page hereof and shall remain in effect until the closing of the Transaction unless terminated earlier by either party, with or without cause, upon at least thirty (30) days prior written notice, stating in such notice the effective date of the termination. In the event of such termination, it is understood and agreed that only the amounts due Hilltop for fees and expenses incurred to the date of termination will be due and payable.

Miscellaneous

1. Limitations on Liability. The Company acknowledges and agrees that in any event, regardless of the cause of action, Hilltop's total liability (including loss and expense) to the Company in the aggregate shall not exceed the gross amount of fees received by Hilltop pursuant to this Agreement. The limitations on liability set forth in this Agreement are fundamental elements of the basis of the bargain between Hilltop and the Company, and the pricing for the services set forth above reflect such limitations.

2. Required Disclosures. Attached hereto as Attachment B, Hilltop is providing its Municipal Advisor Disclosure Statement, which sets forth disclosures by Hilltop of material conflicts of interest (the "Conflict Disclosures"), if any, and of any legal or disciplinary events required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii). The Conflict Disclosures also describe how Hilltop addresses or intends to manage or mitigate the disclosed conflicts of interest, as well as describing the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by Hilltop with the Securities and Exchange Commission.

   Included as Attachment C, is a general description of the financial characteristics and material risks associated with the Transaction that are foreseeable to us at this time.

3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

4. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

If the foregoing correctly sets forth the terms of our Agreement, please sign the enclosed copy of this engagement letter in the space provided and return it to us.

HILLTOP SECURITIES INC.

By:_____
Name: Mr. Timothy Earl Nelson
Title: Managing Director

Agreed to this _____ day of _____, 2024

ROWLETT HOUSING FINANCE CORPORATION

By:_____
Name: Jeff Winget
Title: President
Authorized Officer

ATTACHMENT A

FORM AND BASIS OF COMPENSATION

The fees due to Hilltop for the services described in this Agreement with respect to each Transaction during the term of this Agreement shall be as set-forth below, or as otherwise negotiated in advance and agreed to by the parties in writing:

For services relating to execution of the Transaction specified in the Agreement and referred to therein, Hilltop shall receive an advisory fee ("Advisory Fee") equal to **$125,000 $25,000 of which will be due upon the signing of the Memorandum of Understanding between the HFC and the developer**.

The unpaid portion of the Advisory Fee $100,000 is contingent upon closing and shall be payable to Hilltop, by the Borrower, at the time of the closing of the Transaction.

Please note that the above fees are paid by the Borrower and not by the Client.

ATTACHMENT B

MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement ("Conflict Disclosures") is provided by **Hilltop Securities Inc.** ("the Firm") to you (the "Client") in connection with our current municipal advisory agreement, ("the Agreement"). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm's conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to the Firm's financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitably built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm's arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk though investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer's annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and

the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the

securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

VII. Additional Conflicts Disclosures.

The Firm has identified the following additional potential or actual material conflicts of interest:

- The Firm represents multiple issuers/obligors on same project.
- Employees of Hilltop Securities Inc. may, from time to time, serve on the board of directors of various state housing associations – such as Texas Association of Local Housing Finance Agencies (TALHFA) and Texas Affiliation of Affordable Housing Providers (TAAHP) – such participation may or may not result in conflicts of interest with or between clients of Hilltop Securities Inc.

In addition to serving as Municipal Advisor to the Issuer on the transaction, the Firm or an affiliate may be providing other services to the Issuer unrelated to the transaction or outside the scope of the Municipal Advisory Agreement and either will receive additional fees or may receive additional fees for such other services from the Issuer.

- The Firm serves as bidding agent escrow agent, GIC bidding agent, or swap advisor for the Issuer or provides derivatives or commodities hedging services to the Issuer and receives fees either under a separate contract or from a third-party.
- The Firm's affiliate, Hilltop Securities Asset Management, LLC, provides arbitrage rebate compliance services to the Issuer either under a separate contract or under the municipal advisory fee structure.

- The Issuer participates or anticipates participating in a government pool for which the Firm receives fees for serving as co-administrator.
- The Firm has served as financial advisor to the general partner on prior or current transactions, for which it will receive a financial advisory fee in addition to the fees to be received for serving as Municipal Advisor to the Issuer under a separate contract.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's BrokerCheck webpage.

- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of $360,000.

- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of $120,000 received as financial advisor on the deal, paid prejudgment interest of $22,400.00 and a penalty of $50,000.00.

- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay $16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.

- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to $822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.

- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm

served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of $100,000 for these self-reported violations.

- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firm was censured and ordered to pay disgorgement of $206,606, prejudgment interest of $48,587 and a penalty of $85,000.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at Forms MA and MA-I. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by Broker Check at http://brokercheck.finra.org/, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at http://www.adviserinfo.sec.gov/. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take to you to the electronic version MA_Client_Brochure

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any

legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

ATTACHMENT C

DISCLOSURE OF MATERIAL RISKS

Municipal entities and other obligated parties should carefully consider the risks of all securities transactions prior to execution. A certain level of risk is inherent in all liabilities. The key is to determine whether the level of risk is acceptable. Risks will vary depending upon the structure and terms of the partnership agreement. There are risks that are common to all deal types and some that are specific to each transaction. Some risks can be mitigated if properly identified ahead of time. Some risks are out of the control of all parties involved in the transaction and therefore cannot be mitigated nor avoided. Some risks are borne by the participant, resulting in the participant demanding a higher compensation to offset the acceptance of risk.

As a municipal advisor, it is our fiduciary duty to analyze every aspect of a client's financial situation. A municipal advisor must take into account all assets and all liabilities of the client, current and anticipated, to create the best financial plan to achieve the client's objectives. No single transaction is viewed as separate and apart from prior transactions. The analysis includes a number of other factors, but it must include a thorough understanding of the client's risk tolerance compared to the material risks associated with a specific contemplated transaction.

The following is a general description of the financial characteristics and material risks associated with the Transaction that are foreseeable to us at this time. As the transaction progresses, material changes to the risk disclosures identified here will be supplemented for your consideration. However, the discussion of risks contained here should not be considered to be a disclosure of all risks or a complete discussion of the risks that are mentioned. Nothing herein constitutes or shall be construed as a legal or tax advice. You should consult your own attorney, accountant, tax advisor or other consultant for legal or tax advice as it relates to this specific transaction.

Legal Risks

While the use of limited liability companies can limit the risk of litigation, there is no guaranty that a court would not "pierce the corporate veil" and look to the parent entity to meet any legal obligations of the LLC for which it is the sole member.

Reputation Risk

While the use of limited liability companies can limit the legal risk of litigation, there is no way to insure against the reputational risk that might be suffered through the Client's involvement with the proposed real estate partnership.

Tax Compliance Risk

The operation of a partnership formed for the purpose of developing a project using a non-profit general partner to obtain a property tax exemption is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the closing of the transaction. You also must covenant to take certain additional actions after the closing of the transaction. A breach of your representations or your failure to comply with certain tax-related covenants may cause the property to lose the property tax exemption. The IRS also may audit you or the partnership, in some cases on a random basis, and in other cases targeted to specific types of tax concerns. This description of tax compliance risks is not intended as legal advice and you should consult with your counsel regarding tax implications of participating in a partnership.

HilltopSecurities
A Hilltop Holdings Company

Timothy Earl Nelson
Senior Managing Director – Public Finance
Tim.Nelson@hilltopsecurities.com
512-481-2022

2700 Via Fortuna
Suite 410; Building 2
Austin, Texas 78746

March 20, 2024

VIA E-MAIL

Mr. Jeff Winget
President
Rowlett Housing Finance Corporation
4113 Main St., Suite 105
Rowlett, TX 75088

Mr. Winget,

As you know, Hilltop Securities Inc. ("Hilltop") is currently providing **Rowlett Housing Finance Corporation** (the "Client") with municipal advisory services pursuant to a certain **Municipal Advisory Agreement, dated 8/30/2017** (the "MA Agreement"). The MA Agreement provides for Hilltop to advise the Client regarding the issuance and sale of certain indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Client from time to time during the term of the MA Agreement.

In 2017, the Borrower closed on the financing of a multifamily senior living project located in Rowlett, TX, known as Lakeview Pointe Senior Living" (the "Apartment Complex"). In order to partially finance costs related to fire damage at the Apartment Complex, the Borrower is obtaining a loan from the International Bank of Commerce, in the approximate principal amount of $3,500,000 (the "Transaction"). The Client has requested that Hilltop provide certain additional advisory services in connection with the participation of the Client as the parent entity of, and the 100% sole member of, the proposed **Savannah at Lakeview GP, LLC** (the "Company") in the ownership partnership of **SAVANNAH AT LAKEVIEW, LP, a Texas limited partnership, formerly known as TX Lakeview Seniors, LP** (the "Borrower") sponsored Transaction. Hilltop and the Client believe that the requested services related to the Transaction are not within the description of services of the MA Agreement. Therefore, we are pleased to submit this agreement and set-forth terms for the engagement of Hilltop by the Client as its advisor for the term of this letter agreement (the "Agreement") with respect to the Transaction.

Description of Services

Upon the request of an authorized representative of the Client, Hilltop agrees to perform the consulting services stated in the following provisions of this Agreement and, for having rendered such services, the Company agrees to pay to Hilltop the compensation as provided in Attachment A. Hilltop will provide:

1. Negotiation; Documentation: Assist the Company in negotiating and reviewing all partnership and loan related documentation for the Transaction;

2. Advice: Provide advice to the Company regarding the amount and timing of payments to be received for each of the roles contemplated related to the proposed multifamily development;

3. Meetings: Agree to attend all Board Meetings as requested by the Company;

4. Conference Calls: Agree to be available for all conference calls/meetings as requested by the Company; and

5. Closing of Transaction: Assist the Company in closing of the Transaction, including, if applicable, the generation of the Closing Memorandum.

Compensation and Expense Reimbursement

The fees and reimbursable expenses due to Hilltop for the services set-forth and described herein shall be in accordance with Attachment A, attached hereto. Payment for services shall be due and payable upon receipt of an invoice therefor.

Term and Termination

This Agreement shall become effective as of the date executed by the Client as set-forth on the signature page hereof and shall remain in effect until the closing of the Transaction unless terminated earlier by either party, with or without cause, upon at least thirty (30) days prior written notice, stating in such notice the effective date of the termination. In the event of such termination, it is understood and agreed that only the amounts due Hilltop for fees and expenses incurred to the date of termination will be due and payable.

Miscellaneous

1. Limitations on Liability. The Company acknowledges and agrees that in any event, regardless of the cause of action, Hilltop's total liability (including loss and expense) to the Company in the aggregate shall not exceed the gross amount of fees received by Hilltop pursuant to this Agreement. The limitations on liability set forth in this Agreement are fundamental elements of the basis of the bargain between Hilltop and the Company, and the pricing for the services set forth above reflect such limitations.

2. Required Disclosures. Attached hereto as Attachment B, Hilltop is providing its Municipal Advisor Disclosure Statement, which sets forth disclosures by Hilltop of material conflicts of interest (the "Conflict Disclosures"), if any, and of any legal or disciplinary events required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii). The Conflict Disclosures also describe how Hilltop addresses or intends to manage or mitigate the disclosed conflicts of interest, as well as describing the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by Hilltop with the Securities and Exchange Commission.

   Included as Attachment C, is a general description of the financial characteristics and material risks associated with the Transaction that are foreseeable to us at this time.

3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

4. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

If the foregoing correctly sets forth the terms of our Agreement, please sign the enclosed copy of this engagement letter in the space provided and return it to us.

HILLTOP SECURITIES INC.

By:_____
Name: Mr. Timothy Earl Nelson
Title: Senior Managing Director

Agreed to this _____ day of _____, 2024

ROWLETT HOUSING FINANCE CORPORATION

By:_____
Name: Jeff Winget
Title: President
Authorized Officer

ATTACHMENT A

FORM AND BASIS OF COMPENSATION

The fees due to Hilltop for the services described in this Agreement with respect to each Transaction during the term of this Agreement shall be as set-forth below, or as otherwise negotiated in advance and agreed to by the parties in writing:

For services relating to execution of the Transaction specified in the Agreement and referred to therein, Hilltop shall receive an advisory fee ("Advisory Fee") equal to $25,000.

The Advisory Fee is contingent upon closing and shall be payable to Hilltop, by the Borrower, at the time of the closing of the Transaction.

Please note that the above fees are paid by the Borrower and not by the Client.

ATTACHMENT B

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III. **Other Municipal Advisor or Underwriting Relationships.** The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. **Secondary Market Transactions in Client's Securities.** The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. **Broker-Dealer and Investment Advisory Business.** The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the

securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

VII. Additional Conflicts Disclosures.

The Firm has identified the following additional potential or actual material conflicts of interest:

- The Firm represents multiple issuers/obligors on same project.
- Employees of Hilltop Securities Inc. may, from time to time, serve on the board of directors of various state housing associations – such as Texas Association of Local Housing Finance Agencies (TALHFA) and Texas Affiliation of Affordable Housing Providers (TAAHP) – such participation may or may not result in conflicts of interest with or between clients of Hilltop Securities Inc.

In addition to serving as Municipal Advisor to the Issuer on the transaction, the Firm or an affiliate may be providing other services to the Issuer unrelated to the transaction or outside the scope of the Municipal Advisory Agreement and either will receive additional fees or may receive additional fees for such other services from the Issuer.

- The Firm serves as bidding agent escrow agent, GIC bidding agent, or swap advisor for the Issuer or provides derivatives or commodities hedging services to the Issuer and receives fees either under a separate contract or from a third-party.

- The Firm's affiliate, Hilltop Securities Asset Management, LLC, provides arbitrage rebate compliance services to the Issuer either under a separate contract or under the municipal advisory fee structure.
- The Issuer participates or anticipates participating in a government pool for which the Firm receives fees for serving as co-administrator.
- The Firm has served as financial advisor to the general partner on prior or current transactions, for which it will receive a financial advisory fee in addition to the fees to be received for serving as Municipal Advisor to the Issuer under a separate contract.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's BrokerCheck webpage.

- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of $360,000.

- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of $120,000 received as financial advisor on the deal, paid prejudgment interest of $22,400.00 and a penalty of $50,000.00.

- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay $16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.

- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to $822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.

- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of $100,000 for these self-reported violations.

- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firm was censured and ordered to pay disgorgement of $206,606, prejudgment interest of $48,587 and a penalty of $85,000.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at Forms MA and MA-I. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by Broker Check at http://brokercheck.finra.org/, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at http://www.adviserinfo.sec.gov/. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take to you to the electronic version MA_Client_Brochure

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

ATTACHMENT C

DISCLOSURE OF MATERIAL RISKS

Municipal entities and other obligated parties should carefully consider the risks of all securities transactions prior to execution. A certain level of risk is inherent in all liabilities. The key is to determine whether the level of risk is acceptable. Risks will vary depending upon the structure and terms of the partnership agreement. There are risks that are common to all deal types and some that are specific to each transaction. Some risks can be mitigated if properly identified ahead of time. Some risks are out of the control of all parties involved in the transaction and therefore cannot be mitigated nor avoided. Some risks are borne by the participant, resulting in the participant demanding a higher compensation to offset the acceptance of risk.

As a municipal advisor, it is our fiduciary duty to analyze every aspect of a client's financial situation. A municipal advisor must take into account all assets and all liabilities of the client, current and anticipated, to create the best financial plan to achieve the client's objectives. No single transaction is viewed as separate and apart from prior transactions. The analysis includes a number of other factors, but it must include a thorough understanding of the client's risk tolerance compared to the material risks associated with a specific contemplated transaction.

The following is a general description of the financial characteristics and material risks associated with the Transaction that are foreseeable to us at this time. As the transaction progresses, material changes to the risk disclosures identified here will be supplemented for your consideration. However, the discussion of risks contained here should not be considered to be a disclosure of all risks or a complete discussion of the risks that are mentioned. Nothing herein constitutes or shall be construed as a legal or tax advice. You should consult your own attorney, accountant, tax advisor or other consultant for legal or tax advice as it relates to this specific transaction.

Legal Risks

While the use of limited liability companies can limit the risk of litigation, there is no guaranty that a court would not "pierce the corporate veil" and look to the parent entity to meet any legal obligations of the LLC for which it is the sole member.

Reputation Risk

While the use of limited liability companies can limit the legal risk of litigation, there is no way to insure against the reputational risk that might be suffered through the Client's involvement with the proposed real estate partnership.

Tax Compliance Risk

The operation of a partnership formed for the purpose of developing a project using a non-profit general partner to obtain a property tax exemption is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the closing of the transaction. You also must covenant to take certain additional actions after the closing of the transaction. A breach of your representations or your failure to comply with certain tax-related covenants may cause the property to lose the property tax exemption. The IRS also may audit you or the partnership, in some cases on a random basis, and in other cases targeted to specific types of tax concerns. This description of tax compliance risks is not intended as legal advice and you should consult with your counsel regarding tax implications of participating in a partnership.