



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

**Board of Directors Meeting  
Tuesday, October 29<sup>th</sup>, 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 September 26, 2024, Rowlett Housing Finance Corporation Board meeting.**
4. **Legal update**
5. **Financial Report 3<sup>rd</sup> quarter 2024**
6. **Lakeview Seniors update**
  - a. **Bill Fisher and Melissa Fisher**
7. **190/Main update**
  - a. **Payments and schedule**
8. **Insurance Update**
9. **Office update**
10. **Vision/Mission Statement of the RHFC**
11. **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

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## **Board of Directors Meeting Minutes**

**Thursday, September 26, 2024, at 4:00PM**

**5702 Rowlett Rd., Rowlett TX 75089**

**1. Call to order:**

President Winget called the meeting to order at 4:02PM with a quorum present (Directors Winget, Holston, Dunnican, Schupp and Kull). Also present was Robbie Ryan with the Ryan Insurance Agency. Attorney Bowen with Chapman and Cutler attended by phone.

**2. Public Input:**

There was no public input.

**3. Approval of Minutes**

Consider and take action to approve the Special Called HFC Board of Directors Meeting Minutes of Monday, September 16, 2024. Director Holston made a motion to approve the minutes as submitted, and Director Dunnican seconded the motion, and it passed unanimously.

President Winget asked if the Board would agree to take Agenda Item 7 out of order so Mr. Ryan could make a presentation and leave.

**7. Insurance Update:**

Mr. Ryan said insurance premiums have been rising rapidly, but he has forwarded to Executive Director Urrutia what he considers to be a reasonable insurance policy for the HFC Board to consider. He regretted not having the policy available for distribution and review at this meeting, but he received the policy material less than an hour before the start of this meeting. He proceeded to say he requested that the underwriter of this policy include coverage for



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Directors and Officers, and he believes the policy does that. However, he has not had an opportunity to review the policy he forwarded, to be sure it will cover all he requested, including, coverage for the HFC Board for general liability, professional liability as well as Directors and Officers liability, but he believes it does. Director Kull asked for the premium amount. Mr. Ryan said it is a million-dollar policy, and the premium is \$9,891.85 per year. He also pointed out that the Board should be aware the premium is subject to increases each renewal year. Mr. Ryan concluded by saying, in his opinion, the HFC Board truly has little liability exposure. Director Holston asked if we had a general liability policy now, and Mr. Ryan said yes, it is a premises policy that covers personal injury that might occur at the HFC rented office space, and the annual premium for that is under one thousand dollars. President Winget asked if this policy would cover personal injury on a partnership property, if the HFC were to be sued. Mr. Ryan said no, but there would be many layers of responsibility in that case before a court would likely hold the HFC position in the partnership responsible. Director Holston asked if the policy covers errors and omission, and Mr. Ryan said yes.

President Winget asked if there were any other questions for Mr. Ryan. There being none, Mr. Ryan left the meeting at this time. Director Holston recommended our Attorney review this proposed policy to be sure it does what we need it to do. Attorney Bowen said he would review the policy. President Winget said he wanted to be sure this policy protects our decision making.

There was no action taken on this agenda item.

There being no further questions on this agenda item, President Winget said we would move to agenda item 5 and move item 4 to later in the meeting.

##### **5. Update/Discussion on Lakeview Pointe Seniors**

President Winget read a letter from Property Manager Starnes, which is attached to these minutes as part of the meeting record, and states residency occupancy data, and expected dates for completion of certain project features. President Winget said the information provided was not particularly helpful. Director Holston





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said he thought much of the project items the letter indicates are still needing completion were already done. President Winget said he wanted a timeline on club house completion and the number of units per building. Director Holston suggested the Board might visit this Project to personally see the degree of completion. Executive Director Urrutia said he would contact project management to set up a tour of this development. Director Dunnican said she wants to know what properties are HFC properties? President Winget said One90 Main and Lakeview Point Seniors are our properties at this time. Executive Director Urrutia asked Attorney Bowen for a project payment schedule, and he said he would forward that to the HFC. There was no action taken on this agenda item.

President Winget said we would move on to agenda item 6, One90 Main Update.

**6. One90 Main Update:**

President Winget said the HFC received an update from One90 Main in the form of a memo from Christina Lozano, which states they have eighty-nine occupied units at 27% occupied and are at 34% leased. There are two buildings not occupied yet. After a brief discussion about this memo, President Winget said we should move on to agenda item 4.

There was no action taken on agenda item 6.

President Winget said we should discuss agenda item 4 in Executive Session with Legal Counsel. At this time, he read the rules pertaining to Executive Sessions.

The HFC Board of Directors began the Executive Session at 4:46PM.

The HFC Board of Directors reconvened the regular Board meeting at 5:15PM, after a 5-minute recess.





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#### **8.Update on Down Payment Assistance Programs:**

Director Dunnican presented a slide program on the Texas Department of Housing and Community Affairs, and what other cities in Texas are doing around Affordable Housing. She recommended partnering with the Texas Home Buyers Program, since her primary loan officer says this is the best. There are different options, but this is the best. They offer down payment assistance and closing cost assistance to moderate income home buyers, as well as no down payment, lower mortgage rate assistance and mortgage credit certificates for lower income home buyers. The process follows when the realtor or buyer identifies as lower or moderate income, they relate to an approved lender familiar with these products. The buyer is required to take a free home buyer education course, then the lender reserves the necessary funds with TDHCA. When the loan is approved, state funds are provided.

There are other special products for first time home buyers, Veterans, and purchases in a targeted census tract area. Director Dunnican then explained in detail how various loan programs, qualification limits, home price limits and other requirements would apply, for example, the buyer must live in the home for at least three years and there is no interest on these loans. Director Dunnican then described how the McKinney, Capital Area, and Harris County HFCs are providing up to \$5,000 and \$10,000 gift supplements to these TDHCA grants. This could be something the RHFC might investigate at some time in the future.

President Widget asked if realtors and lenders are generally in favor of working with these programs, and Director Dunnican said yes, they add to their sales. Director Dunnican concluded her remarks by encouraging the HFC Board members to explore the Texas Home Buyer Program.com website for additional information. Director Dunnican pointed out the RHFC website needs improvement and updating, and President Winget offered to investigate working on that.

There being no further discussion or questions on this agenda item, President Winget said we would move to agenda item 9.

There was no action taken on agenda item 8.



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**9. Vision/Mission Statement of the RHFC:**

**Director Dunnican presented the following draft mission statement for HFC Board Consideration:**

**“Our mission is to expand home ownership opportunities by connecting individuals and families in Rowlett with affordable housing solutions through strategic partnerships and programs. We aim to provide access to resources, build awareness, and promote opportunities that make single-family home ownership more attainable. Our goal is to make the dream of home ownership a reality for all, improving quality of life and building generational wealth.” The RHFC is dedicated to fostering quality affordable housing. Director Holston asked for a copy of the draft mission statement he provided to the HFC Board at a previous meeting. This was provided to the Board and consideration was given to combining the two drafts into one at the next HFC Board meeting.**

**Director Dunnican suggested some editing of her statement, and after some additional discussion this item was postponed for further deliberation, there being no further discussion of this item, President Winget recommended Adjournment.**

**There was no action taken on agenda item 9.**

**10. Adjournment:**

**The next RHFC Board of Directors meeting was scheduled for Tuesday, October 29, 2024, at 4:00PM.**

**There being no further business, the RHFC Board of Directors meeting was adjourned at 6:17PM.**

**Adjournment:**

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

**Approved on \_\_\_\_\_, 2024.**

**Jeff Winget 2024 President**

**Richard Kull 2024 Secretary**



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**ROWLETT HOUSING FINANCE CORPORATION**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	Primary Government Enterprise Fund
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 227,646
Investments	505,243
Accounts receivable - annual issuer fee	31,250
Prepaid expense	<u>3,229</u>
Total current assets	<u>767,368</u>
Capital assets, net of accumulated depreciation	<u>6,582,323</u>
Other assets:	
Deposits	560
Investments in Interagency Home Financing Cooperative	<u>15,000</u>
Total other assets	<u>15,560</u>
Total assets	<u>7,365,251</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	10,263
Accrued payroll liabilities	<u>42</u>
Total liabilities	10,305
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Deferred inflows related to land leases	<u>6,212,718</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	369,605
Unrestricted	<u>772,623</u>
Total net position	<u>\$ 1,142,228</u>

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**  
**THIRD QUARTER ENDED SEPTEMBER 30, 2024**

	Primary Government Enterprise Fund
Operating revenue:	
Annual issuer fees - Savannah at Lakeview	\$ 28,126
Agency fees	3,775
Land lease income	49,304
Other income	<u>307</u>
Total operating revenue	<u>81,512</u>
Operating expenses:	
Salary and related benefits	75,231
Professional services (accounting & legal)	43,627
Office expense	18,644
Property and liability insurance	721
Conference and travel expense	<u>5,748</u>
Total operating expenses	<u>143,971</u>
Net operating loss	<u>(62,459)</u>
Non-operating income (expense):	
Interest income	26,970
Community outreach	<u>(1,390)</u>
Total non-operating income	<u>25,580</u>
Change in net position	(36,879)
Net position:	
Beginning of year	<u>1,179,107</u>
End of year	\$ <u><u>1,142,228</u></u>

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## **SUPPLEMENTAL INFORMATION**



**ROWLETT HOUSING FINANCE CORPORATION**  
**COMBINING STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

**ASSETS**

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
Current assets:													
Cash and cash equivalents	\$ 51,569	\$ 11,082	\$ 11,082	\$ 11,083	\$ 11,082	\$ 11,082	\$ 11,082	\$ 11,082	\$ 11,082	\$ 87,420	\$ 227,646	\$ -	\$ 227,646
Investments	505,243	-	-	-	-	-	-	-	-	-	505,243	-	505,243
Accounts receivable - annual issuer fee	31,250	-	-	-	-	-	-	-	-	-	31,250	-	31,250
Intercompany receivable	4,642	-	-	-	-	5,122	-	-	-	-	9,764	(9,764)	-
Prepaid expense	3,229	-	-	-	-	-	-	-	-	-	3,229	-	3,229
Total current assets	595,933	11,082	11,082	11,083	11,082	16,204	11,082	11,082	11,082	87,420	777,132	(9,764)	767,368
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	676,493	11,082	2,323,694	11,083	11,082	31,204	11,082	11,082	4,280,793	87,420	7,455,015	(89,764)	7,365,251

**LIABILITIES**

Current liabilities:													
Accounts payable	10,263	-	-	-	-	-	-	-	-	-	10,263	-	10,263
Intercompany payable	3,775	865	323	324	323	-	323	323	323	3,185	9,764	(9,764)	-
Accrued payroll liability	42	-	-	-	-	-	-	-	-	-	42	-	42
Total current liabilities	14,080	865	323	324	323	-	323	323	323	3,185	20,069	(9,764)	10,305

**DEFERRED INFLOW OF RESOURCES**

Deferred inflow of resources for land leases	-	-	2,154,934	-	-	-	-	-	4,057,784	-	6,212,718	-	6,212,718
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**NET POSITION**

Net investment in capital assets	-	-	157,678	-	-	-	-	-	211,927	-	369,605	-	369,605
Unrestricted	662,413	10,217	10,759	10,759	10,759	31,204	10,759	10,759	10,759	84,235	852,623	(80,000)	772,623
Total net position	\$ 662,413	\$ 10,217	\$ 168,437	\$ 10,759	\$ 10,759	\$ 31,204	\$ 10,759	\$ 10,759	\$ 222,686	\$ 84,235	\$ 1,222,228	\$ (80,000)	\$ 1,142,228

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**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**THIRD QUARTER ENDED SEPTEMBER 30, 2024**

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
<b>Operating revenue:</b>													
Annual issuer fees - Savannah	\$ 28,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,126	\$ -	\$ 28,126
Agency fees	-	-	-	-	-	3,775	-	-	-	-	3,775	-	3,775
Land lease income	-	-	17,520	-	-	-	-	-	31,784	-	49,304	-	49,304
Other income	307	-	-	-	-	-	-	-	-	-	307	-	307
<b>Total operating revenue</b>	<b>28,433</b>	<b>-</b>	<b>17,520</b>	<b>-</b>	<b>-</b>	<b>3,775</b>	<b>-</b>	<b>-</b>	<b>31,784</b>	<b>-</b>	<b>81,512</b>	<b>-</b>	<b>81,512</b>
<b>Operating expenses:</b>													
Salary and related benefits	75,231	-	-	-	-	-	-	-	-	-	75,231	-	75,231
Professional services (accounting & legal)	39,851	-	323	323	323	323	323	323	323	1,515	43,627	-	43,627
Office expense	18,644	-	-	-	-	-	-	-	-	-	18,644	-	18,644
Property and liability insurance	721	-	-	-	-	-	-	-	-	-	721	-	721
Conference and travel expense	5,748	-	-	-	-	-	-	-	-	-	5,748	-	5,748
<b>Total operating expenses</b>	<b>140,195</b>	<b>-</b>	<b>323</b>	<b>323</b>	<b>323</b>	<b>323</b>	<b>323</b>	<b>323</b>	<b>323</b>	<b>1,515</b>	<b>143,971</b>	<b>-</b>	<b>143,971</b>
<b>Net operating income (loss)</b>	<b>(111,762)</b>	<b>-</b>	<b>17,197</b>	<b>(323)</b>	<b>(323)</b>	<b>3,452</b>	<b>(323)</b>	<b>(323)</b>	<b>31,461</b>	<b>(1,515)</b>	<b>(62,459)</b>	<b>-</b>	<b>(62,459)</b>
<b>Non-operating income (expense):</b>													
Interest income	23,602	421	421	421	421	421	421	421	421	-	26,970	-	26,970
Community outreach	(1,390)	-	-	-	-	-	-	-	-	-	(1,390)	-	(1,390)
<b>Total non-operating expense</b>	<b>22,212</b>	<b>421</b>	<b>421</b>	<b>421</b>	<b>421</b>	<b>421</b>	<b>421</b>	<b>421</b>	<b>421</b>	<b>-</b>	<b>25,580</b>	<b>-</b>	<b>25,580</b>
<b>Change in net position</b>	<b>(89,550)</b>	<b>421</b>	<b>17,618</b>	<b>98</b>	<b>98</b>	<b>3,873</b>	<b>98</b>	<b>98</b>	<b>31,882</b>	<b>(1,515)</b>	<b>(36,879)</b>	<b>-</b>	<b>(36,879)</b>
<b>Net position:</b>													
Beginning of year	751,963	9,796	150,819	10,661	10,661	27,331	10,661	10,661	190,804	85,750	1,259,107	(80,000)	1,179,107
<b>End of year</b>	<b>\$ 662,413</b>	<b>\$ 10,217</b>	<b>\$ 168,437</b>	<b>\$ 10,759</b>	<b>\$ 10,759</b>	<b>\$ 31,204</b>	<b>\$ 10,759</b>	<b>\$ 10,759</b>	<b>\$ 222,686</b>	<b>\$ 84,235</b>	<b>\$ 1,222,228</b>	<b>\$ (80,000)</b>	<b>\$ 1,142,228</b>

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.



# City of Rowlett

## Official Copy

4000 Main Street  
Rowlett, TX 75088  
www.rowlett.com

Resolution: RES-039-21

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES WITH ENCLAVE LP, FOR THE ONE90 MAIN PROJECT LOCATED AT THE SOUTHEAST CORNER OF MAIN STREET AND CENTENNIAL ROAD; AUTHORIZING THE MAYOR TO ENTER INTO AND EXECUTE THE AGREEMENT ON THE CITY'S BEHALF; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Rowlett Housing Finance Corporation has proposed a project in partnership with certain developers to design, build and operate an affordable housing community for citizens, entitled One90 Main (the "Project"); and

**WHEREAS**, the Project is structured whereby the Rowlett Housing Authority's legal status will enable the Project to be classified as exempt from ad valorem taxes, even though the City will nevertheless be obliged to provide and furnish a full range of municipal services; and,

**WHEREAS**, the Payment In Lieu of Taxes (PILOT) agreement approved by this Resolution will require the Project to remit payments to the City in an amount equivalent to 80% of the ad valorem taxes that would otherwise be due, and such arrangement is in the best interest of the citizens of the City and the public health, safety and general welfare; and,

**WHEREAS**, the Payment In Lieu of Taxes (PILOT) agreement approved by this Resolution will require the Project to construct approximately 1,030 linear feet of Centennial Drive along the western boundary of the site and as described in Exhibit A.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:**

**SECTION 1:** That the City Council of the City of Rowlett does hereby accept and approve the Payment In Lieu of Taxes ("PILOT") Agreement by and between the City and Enclave Rowlett, LP, a true and correct copy of which is attached hereto as Exhibit "A," and does further authorize the Mayor to execute the Agreement on the City's behalf.

**SECTION 2:** That this resolution shall become effective immediately upon its passage.

At a meeting of the City Council on March 16, 2021 this Resolution be adopted. The motion carried by the following vote:

**Ayes: 6** Mayor Dana-Bashian, Deputy Mayor Pro Tem Bell, Councilmember Margolis, Councilmember Sherrill, Councilmember Laning and Councilmember Brown

**Absent: 1** Mayor Pro Tem Grubisich

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Approved by

Tommy Don-Baskin  
Mayor

Date March 16, 2021

Approved to form by

[Signature]  
City Attorney

Date March 16, 2021

Certified by

Laura Hallmark  
City Secretary

Date March 16, 2021



STATE OF TEXAS            )  
  )  
COUNTY OF DALLAS        )

**AGREEMENT FOR PAYMENT  
IN LIEU OF AD VALOREM TAXES**

This Agreement for Payment in Lieu of Ad Valorem Taxes (this "*Agreement*"), is dated as of March 16, 2021 (the "*Effective Date*"), by and between the City of Rowlett, Texas (the "*City*") and Enclave Rowlett, LP, a Texas limited partnership (the "*Partnership*"), with RES IHS, LLC, a Texas limited liability company d/b/a Integrated Real Estate Group ("*IREG*"), joining only as to Section 2.

**RECITALS:**

A. The sole member of Enclave Rowlett GP, LLC, a Texas limited liability company, the Partnership's general partner (the "*General Partner*"), is Rowlett Housing Finance Corporation (the "*HFC*"), a public, nonprofit housing finance corporation duly and validly organized under the laws of the State of Texas, and operating pursuant to Chapter 394 of the Texas Local Government Code.

B. The Partnership will construct a residential development known as One90 Main Apartments, located in Rowlett, Texas (the "*Project*"), which is being developed to provide multifamily affordable housing in furtherance of the HFC's public purpose, and an affiliate of the HFC will own the land upon which the Project will be located (the "*Land*"). The Land is depicted and described in the attached Exhibit A.

C. Property owned by the HFC is exempt from taxation if the property is used for public purposes, as provided in Section 11.11 of the Texas Tax Code. It is contemplated that the Project will qualify for tax exempt status under Section 11.11(a) of the Tax Code.

D. City is willing to approve and support the Project and to provide full municipal services subject, however, to the obligation to make payments to the City in lieu of ad valorem taxes.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, Partnership and City agree as follows:

1. Payment in Lieu of Taxes.

(a) The Partnership shall pay to City annual payments in lieu of taxes (each a "*Pilot Payment*") equal to eighty percent (80%) of the full amount of the ad valorem tax amount that

would otherwise be assessed and imposed by the City, subject to the right of protest described in Section 4 of this Agreement, were the Project not exempt from ad valorem taxation. The ad valorem tax amount described herein shall be inclusive of taxes assessed and imposed on real property as well as furniture, fixtures, equipment and business personal property, and is limited only to the taxes that would otherwise be assessed and imposed by the City and no other taxing jurisdiction.

(b) During the Term of this Agreement, the Pilot Payments shall be due and payable on October 1 of each year and shall become past due and delinquent if not paid by February 1 of the following year, notwithstanding a pending mediation or appraisal under Section 1(c). On the January 1 that follows the issuance of the first Temporary Certificate of Occupancy /Certificate of Occupancy (the "**Commencement Year**") the property will be valued and the Pilot Payments will commence and shall be due and payable on October 1 of the Commencement Year. The Pilot Payments will continue to be due and payable on October 1 of each succeeding year thereafter. Each past due and delinquent Pilot Payment shall accrue penalties, interest, fees and collection costs at the same rates, in the same amounts, and in accordance with the same dates as ad valorem taxes.

(c) In the event that the appraised value is not established by the appraisal district such that the Pilot Payment cannot be calculated, the parties shall use an appraisal of the Property as determined pursuant to Section 42.26(a)(3) of the Texas Property Tax Code. In the event that the parties are unable to reach an agreement as to the Pilot Payment for any year, the parties shall select a neutral mediator and the parties shall participate in good faith to mediate the dispute. .

(d) The parties stipulate and agree that the Pilot Payments made pursuant to this Agreement are in lieu of ad valorem taxes only, and are not in lieu of the charges and fees for other services provided by the City to the Project that are typically payable by other service users in the City apart from taxes, including but not limited to permit fees, utilities, and solid waste collection charges.

2. Centennial Road. In addition to the Pilot Payments, the parties also agree that, in conjunction with the construction of the Project, IREG shall construct a portion of Centennial Road to consist of a 12" density-controlled subgrade, a 6" lime-and-cement-treated base, an 8" concrete pavement with integral curb-and-gutters, appurtenant storm infrastructure, utility adjustments, roadway signs, and the associated civil and geotechnical engineering, earthwork, construction testing, traffic control, erosion control, and maintenance bonds, pursuant to the cost estimate attached as Exhibit B.

3. Term of the Agreement. The term of this Agreement (the "**Term**") shall be for an indefinite period of time expiring on the Project's loss of the ad valorem tax exemption under the Texas Tax Code (the "**Exemption**"), subject to applicable curative rights as set forth in Section 5. Consequently, the annual Pilot Payment shall only be due and payable as long as and during the time period the Exemption applies to the Project. At such time as the Project is no longer entitled



to the Exemption, this Agreement shall cease and automatically terminate, and be of no further force and effect. No refunds of all or part of any previously-paid Pilot Payments shall be due.

4. Right to Protest. Notwithstanding anything contained herein to the contrary, Partnership retains, and City shall not attempt to restrict, the right of Partnership to protest any assessed taxable value of the Project in the same manner it could have done had the Project not been entitled to the Exemption.

5. Termination of Tax Exempt Status.

(a) The Partnership may terminate or lose the Exemption at any time, and if it does so, this Agreement and Partnership's obligations hereunder, including payment of the Pilot Payments, shall immediately terminate and be of no force or effect. If and to the extent that the Project loses its ad valorem tax exempt status partially or completely, the Pilot Payment due for the year in which the exempt status is lost shall be reduced or prorated accordingly. Notwithstanding anything to the contrary contained herein, in the event that the Exemption is lost for any reason, including, but not limited to, the loss of HFC's status as a tax exempt entity, then HFC shall have a one-year period from the date of notice from the special limited partner (the "*SLP*"), as set forth in that certain Limited Partnership Agreement of Partnership, dated as of the effective date, to cause the Exemption to be reinstated (the "*Exemption Cure Period*"). If HFC reinstates the Exemption within the Exemption Cure Period, the City and the Partnership will reinstate this Agreement and the Pilot Payments, on the terms herein. If HFC fails to reinstate the Exemption within the Exemption Cure Period, then the SLP shall identify a replacement owner or general partner to maintain the Exemption and the SLP and General Partner shall cooperate to arrange for the replacement owner or general partner to be admitted to the ownership structure of the Partnership. Upon admittance of the new general partner or the replacement owner and the restoration of the Exemption, the City and the Partnership will reinstate this Agreement and the Pilot Payments, on the terms herein.

(b) If the Partnership shall transfer, sell, convey, lease or dispose of the Project or any interest therein, the agreement and the documents evidencing such transfer, sale, conveyance, lease or disposal must incorporate and preserve all rights granted to City under this Agreement to the extent that the Project remains subject to an exemption from ad valorem property taxes after such transfer, sale, conveyance, lease or disposal. City shall be notified of any such transfer, sale, conveyance, lease or disposal, of any of the Property at least thirty (30) days prior to such transfer.

6. Covenants Running with the Land. The provisions of this Agreement shall be deemed covenants running with the land, and this Agreement shall be recorded in the Dallas County records as a deed restriction that shall survive transfers of ownership of the Project, subject to the limitations described in Section 5 hereof.

7. Applicable Law. This Agreement shall be construed under, governed and enforced in accordance with the laws of the State of Texas. Venue for any dispute arising out of the terms of this Agreement shall be in Dallas County, Texas.

8. Defenses and Immunities. Nothing herein shall be deemed a waiver or release of

any defenses or immunities held by any party, all such defenses and immunities being expressly retained. There are no third-party beneficiaries to this Agreement and nothing herein shall be construed to confer or grant any right or interest to any person not a party hereto.

9. Notice. All notices required or which any party desires to give hereunder will be in writing and will be deemed sufficiently given or furnished if delivered by (i) personal delivery, (ii) nationally recognized overnight courier service, or (iii) certified United States mail, postage prepaid and return receipt requested, addressed to the party to whom directed at the applicable address set forth below (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any notice will be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein; provided that service of a notice required by any applicable statute will be considered complete when the requirements of that statute are met. Notwithstanding the foregoing, no notice of change of address will be effective except upon actual receipt.

City: City of Rowlett, Texas  
4000 Main Street  
Rowlett, Texas 75088  
Attn: City Manager

With a copy to: Nichols, Jackson, Dillard, Hager & Smith, LLP  
1800 Ross Tower  
500 Akard Street  
Dallas, Texas 75201  
Attn: David M. Berman

Partnership: Enclave Rowlett, LP  
3110 W. Southlake Blvd., Suite 120  
Southlake, Texas 76092  
Attn: Kenneth Fambro

With copies to: Rowlett Housing Finance Corporation  
4113 Main Street, Suite 105  
Rowlett, Texas 75088  
Attn: Rick Sheffield

Shackelford, Bowen, McKinley & Norton, LLP  
9201 N. Central Expressway, Fourth Floor  
Dallas, Texas 75231  
Attn: John C. Shackelford

10. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, executors, administrators, legal representatives,



successors and assigns where permitted by this Agreement. Each signatory to this Agreement represents and warrants that he/she has lawful authority to execute this Agreement on behalf of the Party for whom signed, and that he/she has lawful authority to bind the Party.

11. Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

12. Prior Agreements Superseded. This Agreement, and the Exhibits attached hereto and incorporated herein, constitute the sole and only agreement of the parties hereto and supersede any prior understandings or written or oral agreements between the parties respecting the within subject matter, save and except those agreements entered into contemporaneously herewith or as are referred to herein.

13. Attorneys' Fees and Legal Expenses. Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of any alleged breach of any provision of this Agreement or for any other judicial remedy, the prevailing party shall be entitled to receive from the losing party all actual and reasonable attorneys' fees and all court costs in connection with said proceeding.

14. Counterparts and Facsimiles. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In addition, this Agreement may be executed by facsimile signatures and such signatures shall be deemed an original.

15. Modification. This Agreement may not be modified or amended except by a written instrument signed by the parties hereto and referring specifically to this Agreement.

16. Other Instruments. Each party shall, upon the request of the other party, execute, acknowledge and deliver any and all instruments reasonably necessary or appropriate to carry into effect the intention of the parties as expressed in this Agreement.

17. Rule of Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

18. Foreclosure. Notwithstanding anything herein to the contrary, in the event that the Project is encumbered by a deed of trust, (i) the transfer of title to the Project by foreclosure or deed in lieu of foreclosure (a "**Foreclosure Action**") shall not constitute a transfer hereunder, and (ii) the party acquiring title to the Project pursuant to such Foreclosure Action and any subsequent owner of the Project (each a "**Successor Owner**") shall have no present or future liability to City for any PILOT Payments that are unpaid or deferred as of the date of such transfer. Any liability

of a Successor Owner hereunder shall be limited to matters first occurring during the term of its ownership of the Project.

*Signature Pages Follow.*



EXECUTED as of the Effective Date.

**THE CITY OF ROWLETT, TEXAS**

By: Tammy Dana Bashian  
Tammy Dana-Bashian, Mayor

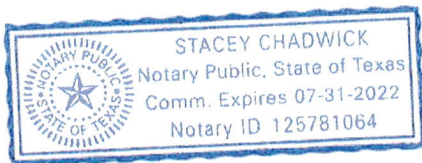
**ATTEST:**

Laura Hallmark  
Laura Hallmark, City Secretary

**STATE OF TEXAS       §**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared Tammy Dana-Bashian, Mayor, City of Rowlett, Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said City of Rowlett, Texas, a Texas municipal corporation, that she executed the same as the act of such entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 12<sup>th</sup> day of March, 2021.



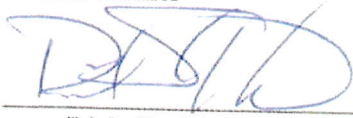
Stacey Chadwick  
Notary Public, State of Texas

My commission expires: 07-31-22

*Signature Pages Continue.*

ENCLAVE ROWLETT, LP,  
a Texas limited partnership

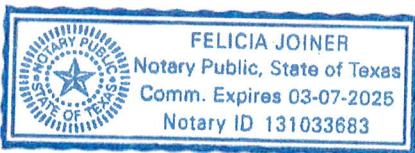
By: Enclave Rowlett GP, LLC,  
a Texas limited liability company,  
its General Partner

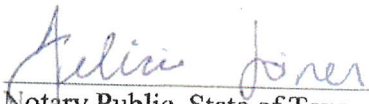
By:   
Rick Sheffield, President

STATE OF TEXAS §  
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Rick Sheffield, President of Enclave Rowlett GP, LLC, a Texas limited liability company, the general partner of Enclave Rowlett, LP, a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that that he executed the same as the act of such partnership for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 25<sup>th</sup> day of March, 2021.



  
Notary Public, State of Texas

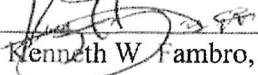
My commission expires: 3-07-2025

*Signature Pages Continue.*

## JOINDER

The undersigned hereby joins this Agreement only as to Section 2 as of the Effective Date.

**RES IHS, LLC,**  
a Texas limited liability company  
d/b/a Integrated Real Estate Group

By:   
Kenneth W. Fambro, II, Vice President

**Exhibit A**

**Land**

Being Block B Lot 1, a tract of land being situated in the William A Crabtree Survey, Abstract No. 347, being part of a called for 45.879 acre tract of land conveyed to Global Investments Group, Inc., as recorded in Volume 2000156, Pg 1022 D.R.D.C.T. and situated n the H. Van Tassell survey, Abstract 1499, being all of Lot 2, Block A of Kirby Tank Addition, as recorded by Instrument No. 201700026172 of the P.R.D.C.T., being called for 9.46 acre tract conveyed to Global Investments Group, LLC, as recorded by Instrument No. 201700060149 O.P.R.D.C.T.

Exhibit A

*PILOT Agreement  
(Enclave Rowlett, LP)*



**Exhibit B**

**Centennial Road**

Attached.

Exhibit B

*PILOT Agreement  
(Enclave Rowlett, LP)*

# **BURGESS & NIPLE** Engineers ■ Planners

TBPE Firm Registration No. F-10834 Date: 10-28-2020 By: ITR  
 3 Sugar Creek Center Boulevard, Suite 510, Sugar Land, Texas 77478, Phone (281) 980-7705

## Quantity Estimate for Centennial Drive Herfurth City Park City of Rowlett, Texas

ITEM NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE	AMOUNT
1	Mobilization	LS	1	\$ 15,000	\$ 15,000
2	Remove/dispose of ex. covered structures/conc. slabs/picnic benches/brick wall/b-ball court/drive lane (+/-1,560 sy)/etc.	LS	1	\$ 28,500	\$ 28,500
3	Sawcut/Remove/Replace Driveway & Culvert at Main Street (1 @ 25' wide drive)	EACH	1	\$ 5,000	\$ 5,000
4	Sawcut/Remove/Replace Driveways & Culverts in City Park (i.e. 2 @ 20' wide)	EACH	2	\$ 3,350	\$ 6,700
5	Street Excavation (drive lane/parking spaces)	CY	5200	\$ 6	\$ 31,200
6	Ditch excavation/reggrading along portions of west/east sides of Centennial Drive	CY	530	\$ 6	\$ 3,180
7	8" Reinf. Conc. Pvm. (3,500 psi; #4@18"OCEW w/6" integral curbs; includes drive lane, angled parking, turnaround at south end and connection to existing park road)	SY	5,900	\$ 62.32	\$ 367,688
8	6" Lime/Cement Treated Subgrade (2' past BC; min. 6% lime & 5% cement by weight)	SY	6700	\$1.95	\$ 13,065
9	12" Density Controlled Subgrade (2' past BC @ 98% Std. Proctor Density)	SY	6700	\$ 1	\$ 6,700
10	Hydrated Lime/Cement for 6" Subgrade (Est. 36 lbs/sy)	TON	120	\$ 205	\$ 24,600
11	Install barrier free ramps (Main Street)	EACH	2	\$ 2,600	\$ 5,200
12	Seed/Hydromulch for ditches/disturbed areas	SF	44,200	\$ 0.08	\$ 3,536
13	6' Wide Curbed Flumes At low points along Centennial Drive/outfall to ditches (5" 4,000 psi concrete over 6" flex base; #4s on 24 OCEW)	LF	90	\$ 53	\$ 4,770
14	Erosion Control (Silt Fence/Check Dams)	LS	1	\$ 8,800	\$ 8,800
15	Traffic control (Main Street/Herfurth City Park)	LS	1	\$ 11,250	\$ 11,250
16	Regulatory Signs (Stop Signs/Speed Limit/No Parking/etc - Budget about 20 signs.)	LS	1	\$ 14,000	\$ 14,000
18	Geotech Fee (Pavement Rec.)	LS	1	\$ -	\$ -
19	Material Testing Fees	LS	1	\$ 15,000	\$ 15,000
20	Surveying Fee for Roadway	LS	1	\$ 6,400	\$ 6,400
21	Civil Design Fee for Roadway	LS	1	\$ 39,000	\$ 39,000
22	City Inspection	LS	1	\$ 28,544	\$ 28,544
23	Contingency	LS	1	\$ 104,002	\$ 104,002
24	General Conditions				\$ 44,528
25	Overhead				\$ 14,843
26	Construction Management Fee				\$ 44,528
25	Maintenance Bond (2 yr @ 20% of public improvements)	LS	1	\$ 5,000	\$ 5,000
<b>TOTAL</b>					<b>\$ 851,033</b>

# **BURGESS & NIPLE**

Engineers ■ Planners

TBPE Firm Registration No. F-10834 Date: 10-28-2020 By: ITR  
3 Sugar Creek Center Boulevard, Suite 510, Sugar Land, Texas 77478, Phone (281) 980-7705

Quantity Estimate for Centennial Drive  
Herfurth City Park  
City of Rowlett, Texas

## **Notes:**

1. The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices. Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, quantities or actual construction costs will not vary from its opinions of probable costs.
2. Centennial Drive Pavement Section (22' wide pavement with 18' deep angled parking each side; +/-1,030 lf
3. Permit fees, impact fees, assessments, pro-rata fees, reimbursements, credits, etc. are not included in this
4. Quantities are preliminary and subject to change based on actual construction plans for this project.
5. Civil design fees include the following: construction plans, city plan submittals (1 submittal and 2 review comments), and estimated construction administration to be performed on an hourly basis which includes pre-construction meeting, construction phase coordination; contractor punchlist walk-thru., preparation of contractor punchlist, and final walk-thru with city; and preparation of record drawings. Construction Plans: \$25K Lump Sum; Record Drawings: \$3K Lump Sum; Construction Administration: \$8K Hourly Estimate; Direct Reimbursable Expenses: \$3K LS
6. This quantity is cursory and is prepared without the benefit of any record drawings, preliminary design.
7. Quantities are preliminary and subject to change based on actual construction plans for this project.
8. No separate pay item for 6" integral curbs (part of pavement quantity).
9. Traffic control assumes no road closures required.
10. Assumes all work is in public right-of-way and within City Park - no offsite easements required.

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**RE: Rowlett HFC Board of Directors meeting Oct 29**

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**From** Christina Schwartz Lozano <CLozano@ireg.us>

**Date** Thu 10/24/2024 10:52 AM

**To** Peter Urrutia <purrutia@rowletthfc.org>

Hi Peter, it was a pleasure meeting you this week. One90 Main is 38% leased which is 122 leases.

Christina Lozano  
Integrated Real Estate Group  
3110 West Southlake Boulevard, Suite 120  
Southlake, Texas 76092  
817.837.0566  
[clozano@ireg.us](mailto:clozano@ireg.us)

**From:** Peter Urrutia <purrutia@rowletthfc.org>

**Sent:** Thursday, October 17, 2024 12:04 PM

**To:** Kenneth W. Fambro <kfambro@ireg.us>

**Cc:** Christina Schwartz Lozano <CLozano@ireg.us>; Peter Urrutia <purrutia@rowletthfc.org>

**Subject:** Rowlett HFC Board of Directors meeting Oct 29

**Kenneth,**

**I hope all is going well with you. The Rowlett HFC Board of Directors is requesting you attend the Tuesday afternoon meeting on October 29<sup>th</sup> starting at 4:00pm at the Community Development Conference room, 5702 Rowlett Rd. The BOD would like an update on the 190 Main development and also look at the payment/fee schedule. Additionally, they would like occupancy percentage(units available/units leased) percentage of that. Also, as always, if there are any issues with the City of Rowlett.**

**Thank you, Kenneth and please feel free to contact me if you have any questions.**

**Peter D. Urrutia**

**Executive Director**

**Rowlett Housing Finance Corporation**

**469-431-0108/214-906-3014 Cell**

**[purrutia@rowletthfc.org](mailto:purrutia@rowletthfc.org)**



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**RE: Insurance update**

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**From** Robbie Ryan, CIC, CISR, CRIS, ACSR, TIIA <[robbie.ryan@ryaninsurance.org](mailto:robbie.ryan@ryaninsurance.org)>

**Date** Fri 10/25/2024 12:12 PM

**To** Peter Urrutia <[purrutia@rowletthfc.org](mailto:purrutia@rowletthfc.org)>


See below on update.


**Robbie Ryan**

Independent Insurance Agent



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 (972) 475-1475

 [robbie.ryan@ryaninsurance.org](mailto:robbie.ryan@ryaninsurance.org)

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**Sent:** Friday, October 25, 2024 9:47 AM

**Subject:** RE: GL quote: 05286565 - Rowlett Housing Finance Corporation - Quote

Hey Robbie,

I am begging Capspecialty to consider. Otherwise it will go to Lexington and Aspen for 25K and 50K premiums.

**From:** Peter Urrutia <[purrutia@rowletthfc.org](mailto:purrutia@rowletthfc.org)>

**Sent:** Thursday, October 24, 2024 1:28 PM

**Subject:** Re: Insurance update

**Thank you for the update, no worries. I look forward to the hearing from you soon.**

**Thank you again.**

**Peter D. Urrutia**

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**From:** Robbie Ryan, CIC, CISR, CRIS, ACSR, TIIA <[robbie.ryan@ryaninsurance.org](mailto:robbie.ryan@ryaninsurance.org)>

**Sent:** Thursday, October 24, 2024 1:25 PM

**To:** Peter Urrutia <[purrutia@rowletthfc.org](mailto:purrutia@rowletthfc.org)>

**Subject:** RE: Insurance update

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**RE: Insurance update**

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**From** Robbie Ryan, CIC, CISR, CRIS, ACSR, TIIA <robbie.ryan@ryaninsurance.org>

**Date** Thu 10/24/2024 1:25 PM

**To** Peter Urrutia <purrutia@rowlettthfc.org>

Peter, sorry for not being able to respond sooner.

We still have been unable to locate a General Liability coverage offering. I plan on reaching out to the underwriter today to see if any new information is learned.

Funny enough, I ran into a colleague this weekend at the Dickey's Rowlett Car Show and learned he's moved to a different broker. I'm going to try and get him all your information over to see if they might be able to provide any additional options.

We did receive a D&O proposal back from another broker that I have not had a chance to review. If you remember, this was previously asked from the P&L proposal who advised some D&O coverage included in their form. While I'll still do a review to try and better understand what (if any) might be provided, my gut tells me best to pursue those as separate policy coverages (PL and DO) should the coverage be desired.

I did forward the legal language as requested to the underwriter, but I still haven't reviewed. As mentioned at the meeting, our opinion of where your exposure comes from is more in the Professional Liability and Directors & Officers compared to that of a General Liability nature. That said, everyone has a GL exposure so if we could locate coverage it's definitely worth considering.

The only thing here is that what we see from a company standpoint is when there is a very large PL exposure, companies do not want to extend GL coverage (probably to avoid being pulled into a claim they shouldn't be, meaning should be insured elsewhere...ie: the contractor).

Sorry again for the delayed response. I was recently out of the office for a week so I'm trying to recover!


Respectfully,

**Robbie Ryan**

Independent Insurance Agent



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 (972) 475-1475

 robbie.ryan@ryaninsurance.org

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**From:** Peter Urrutia <purrutia@rowlettthfc.org>

**Sent:** Thursday, October 24, 2024 1:16 PM

**Subject:** Fw: Insurance update