



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

**SPECIAL CALLED**  
**Board of Directors Meeting**  
**Monday, September 16, 2024**  
**4:00pm**

**City Hall Municipal Building**  
**4000 Main St.**  
**Rowlett, TX 75088**

**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 August 26, 2024, Rowlett Housing Finance Corporation Board meeting.**

**4. JPI Merrit Update**

**Review and act on JPI Development (Merritt Park)**

- a. Resolution of the Sole Member of Merritt Park Holdings, LLC**
- b. Resolution of the Sole Member of Merritt Park MM, LLC**



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**Board of Directors Meeting Minutes  
Monday, August 26, 2024, at 4:00PM  
5720 Rowlett Rd., Rowlett TX 75089**

**1. Call to order:**

**President Winget called the meeting to order at 4:00pm with a quorum present (Directors Winget, Kull, Schupp and Holston). Director Dunnican was absent. Also in attendance were Bill and Mellisa Fisher with Lakeview Pointe Seniors, Ryan Bowen with Chapman and Cutler, Elise Bowers, Rowlett City Council Member and Claire Lastrapes with Hilltop Securities by phone.**

**2. Public Input:**

**City Council Member Bowers expressed appreciation for the HFC Board and the important work the HFC undertakes to improve affordable housing options for the Citizens of Rowlett. There were no other public comments.**

**3. Approval of Minutes**

**Consider and take action to approve the July 30, 2024, minutes of the RHFC Board of Directors Meeting. Director Schupp made a motion to approve the July 30, 2024, Minutes as submitted, Director Holston seconded the motion, and it passed unanimously.**

**4. Executive Session:**

**Before moving on to the next agenda item, President Winget read the rules pertaining to Executive Sessions and asked to please clear the Board room so the HFC Board could go into Executive Session with Attorney Bowen to discuss ongoing litigation at 4:03pm. The Executive Session was concluded, and the HFC Board Meeting resumed at 4:31pm, with no Executive Session action taken.**



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**5. JPI Merrit Update:**

**Attorney Bowen said at our last meeting we agreed to keep the original agreement with JPI unchanged concerning their ability to sell this project on their terms. He now feels his firm and JPI are coming to an agreement on language that addresses our Concerns. He believes he will be able to bring a proposal to the next Board meeting that will meet with our approval. Executive Director Urrutia said JPI would like to close on September 20th, if everything is done by early September, we could have a special Board meeting around September 5th or sixth to approve this resolution. This could allow scheduling JPI on the September 17th City Council meeting. Attorney Bowen said he feels they are close to drafting something they could recommend for approval. President Winget expressed concern that this timeline was too ambitious and asked if we could deal with this at our regular Board meeting in late September. He felt we should slow down, not feel under pressure to meet someone else's timeline as we too often are and asked if this resolution deals with their effort to refinance. Attorney Bowen said yes, and they have included guard rails in the document to address this. Director Schupp said he wants the documents well before the meeting set to discuss them and not at the last minute. President Winget said we would deal further with this item when the documents are available to review, and since there were no other questions, we would move on to Agenda Item 6.**

**6. Update/Discussion on Lakepoint Seniors**

**Executive Director Urrutia inquired if Claire Lastrapes with Hilltop Financial was available on the phone for this discussion, and she affirmed she was. President Winget said the Fishers are asking the Board to reconsider their proposal to apply for a ten-million-dollar bond package to meet IRS requirements which we tabled for future consideration at our last meeting. He added the project is now on better financial footing, based on information provided in the Board**



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packet. Executive Director Urrutia reminded the Board that this application cannot go forward to the state with any real expectation of approval without the HFC and City Council approval. Attorney Bowen reviewed the financial aspects of the proposal and pointed out there are no other sources for this funding, Mr. Fisher said this proposal has resulted from the fire damages and the resulting delays in completing the project which have substantially altered the financial structure originally contemplated, that is, IRS requires more than fifty percent of the project be funded by bonds. Since construction costs have increased beyond the original plans, it is now necessary to increase the proportion of bonds to achieve the fifty plus percentage requirement. Director Holston asked how this project Benefits the Rowlett Community. Mr. Fisher said this project caters to mid to low, income Rowlett residents who want to continue living in Rowlett and could not afford to do that if this project was not available. He said this proposal is subject to many steps before funding, not just HFC and Council approval, and our approval is simply preserving our options going forward. Mr. Fisher also mentioned the costs to the HFC are Lawyers' fees and our bond issuing fees. Director Holston asked for the original cost of the project. Mr. Fisher said approximately fifty million dollars, which required thirty million in bonds, and now costs are expected to be substantially more than sixty-eight million dollars, hence the need for an additional ten million to supplement the original thirty million. Director Holston and Director Schupp asked if we do not approve this, will the project default, and Mr. Fisher said yes it likely would. Director Schupp said we did not appear to have any choice but to approve this request but cautioned it must be carefully presented to the City Council along the lines that this is a bond but not like bonds approved before. The explanation must be short, clear and to the point of getting this over the finish line, it must be clear how this benefits the city. Mr. Fisher said more information about the fire claim should be available by the time this goes to Council which could help the process. Director Schupp said this should not be presented tied to any other aspect of this project, it should be a stand-alone presentation with just the facts of this request.

President Winget asked if there were any more questions, there being none, Director Schupp made a motion to approve this request, Director Holston made a motion, and it passed unanimously. Attorney



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Bowen then reviewed the process that will follow this approval, including the City Council serving as the required public hearing.

**7. One90 Main Update:**

President Winget said he had not heard from Kenneth Fambro, and Executive Director Urrutia said he had not either. He said he understood the complex that is completed is 29% full. Director Holston asked for specific payment and project completion dates. President Winget asked Executive Director Urrutia to follow up with Mr. Fambro for this update information.

No action was taken on this item.

**8. Update on HFC Insurance**

Executive Director Urrutia said he spoke to Robbie Ryan, the agent who manages the only policy the HFC has, which covers the small rental HFC office. He provided a memo in the Board packet outlining this discussion. This provided information that years ago the HFC investigated GLC insurance, but found it was too expensive and decided not to purchase the policy. It was decided the HFC is not a builder or developer and therefore it would be unusual for an HFC to buy GLC coverage. Attorney Bowen said they rely on the insurance the developers have to get for their projects, and it is unusual for HFCs, in his experience, to have this coverage. He said it was hard for him to imagine a scenario where the HFC would be liable for something the other insurance would not cover. Director Holston said he wanted to know whether the HFC Board is covered either by the City policy or our own and thought we had asked for clarification and assurance of this at our last meeting. Director Schupp said he thought we were told we have City policy coverage but was not sure. Executive Director Urrutia said he emailed the City Manager for clarification on this question but had not heard back to date. President Winget said he believed the HFC was covered by the City, but also was not sure. Director Holston said he was not comfortable with this situation of having to guess if Officers and Directors are covered or not. He said as a director he is concerned about getting sued, and every Board he serves on, he always finds out what coverage he has. He said he



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**wants something in writing from the City Manager that we are covered as Directors of this Board, or he will not be able to continue as a Board member. President Winget said that might be exceedingly difficult to secure, so he thought the best direction was to contact Mr. Ryan again and find out what coverage he would offer, and he would also look into what coverage he could find as well. Director Holston added that in the case of us getting sued for negligence of some kind, which caused a developer to lose a project, we obviously could not rely on their insurance policy to cover us, that is why he feels it is so important to have our own coverage policy.**

**No action was taken on this item.**

**9. Vision/Mission Statement:**

**Director Holston circulated a draft copy of a mission statement he created for Board consideration. He was thanked and further discussion of this item was tabled for future discussion.**

**No action was taken on this item.**

**10. Items of Community Interest, Items for Future Agenda:**

**Director Holston wanted to offer help in presenting the Lakeview Pointe Seniors Proposal to the City Council.**

**President Winget said it would be helpful for Board Members to attend that Council meeting. That would show unanimous support for this recommendation. President Winget also mentioned that Executive Director Urrutia can email Council Members with back story information, or whatever he feels would be helpful to get this approved.**

**The next meeting date was set for Thursday, September 26, 2024, at 4:00pm. The Board was also alerted again to the possibility of a need for a special Board meeting earlier in September, if necessary. President Winget said the insurance**



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**matter and our three projects will continue to be on our future agendas.**

**There being further questions or discussion, the meeting was adjourned at 5:49pm.**

**Adjournment:**

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

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

\_\_\_\_\_  
**Jeff Winget 2024 President**

\_\_\_\_\_  
**Richard Kull 2024 Secretary**

**JEFFERSON MERRITT 190, LLC**

COMPANY RESOLUTIONS

\_\_\_\_\_, 2024

MERRITT PARK MM, LLC, a Texas limited liability company (the "*Managing Member*"), the sole managing member of JEFFERSON MERRITT 190, LLC, a Texas limited liability company (the "*Company*") hereby adopts the following resolutions:

1. LEASE OF REAL PROPERTY

WHEREAS, the Managing Member is the sole managing member of the Company; and

WHEREAS, the Rowlett HFC Foundation, a Texas nonprofit corporation (the "*Member*"), is the sole member of the Managing Member; and

WHEREAS, Jeff Winget, an individual, is the President of the Member (the "*President*"); and

WHEREAS, Merritt Park Holdings, LLC (the "*Ground Lessor*") will acquire certain real property located in Dallas County, Texas (the "*Real Property*") on which a multifamily project is to be constructed, developed and operated, to be known as "Jefferson Merritt Park" (the "*Apartment Complex*"); and

WHEREAS, the Ground Lessor will enter into a Ground Lease (the "*Ground Lease*") with the Company pursuant to which the Ground Lessor will lease the Real Property to the Company for a 99-year term; and

WHEREAS, in connection with the lease of the Real Property from the Ground Lessor, the Company and/or the Managing Member will be required to enter into various documents to evidence such leasehold interest, including but not limited to the Ground Lease (collectively, the "*Ground Lease Documents*");

RESOLVED, that the prior actions of the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on behalf of the Company, with respect to the lease of the Real Property, including but not limited to the execution of the Ground Lease Documents, are hereby ratified and approved; and

RESOLVED, that (a) the Company is authorized to lease the Real Property and to execute and deliver the Ground Lease Documents; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Ground Lease Documents and to do all things necessary or desirable to facilitate the lease of the Real Property and the construction, development and operation of the Apartment Complex thereon; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Ground Lease Documents and to do all

things necessary or desirable to facilitate the lease of the Real Property and the construction, development and operation of the Apartment Complex thereon; and (d) the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized to (i) execute and deliver the Ground Lease Documents, with such changes as the President (or any officer of the Member) in such officer's discretion believes to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable to effectuate the purposes of the foregoing resolutions and (ii) do all things necessary or desirable to facilitate the lease of the Real Property and the construction, development and operation of the Apartment Complex thereon.

## 2. REGULATORY AGREEMENT

WHEREAS, the Managing Member and the Company will enter into a regulatory agreement (the "*Regulatory Agreement*") with the Rowlett Housing Finance Corporation, which Regulatory Agreement shall set forth the requirements necessary for the Apartment Complex to comply with Section 394.004 of Chapter 394 of the Texas Local Government Code and certain other restrictions required by the Rowlett Housing Finance Corporation (collectively, the "*Restrictions*"), such Restrictions being within the control of the Company;

RESOLVED, that (a) the Company is authorized to execute and deliver the Regulatory Agreement; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is authorized to execute and deliver the Regulatory Agreement and do all things necessary and desirable in connection therewith; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Regulatory Agreement and do all things necessary and desirable in connection therewith; and (d) the President (or any other officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Regulatory Agreement, with such changes as the President (or any other officer of the Member) in such person's discretion believes to be necessary or desirable, and do all things, including to execute and deliver such other documents and instruments in connection therewith as may be necessary or desirable.

## 3. EQUITY FINANCING

WHEREAS, the Managing Member will be admitted as the managing member of the Company and the membership interest of Jefferson Merritt 190 Holdings, LLC, a Delaware limited liability company, will be converted to special member (the "*Special Member*") pursuant to a Second Amended and Restated Operating Agreement of the Company (the "*Operating Agreement*"); and

WHEREAS, pursuant to the Operating Agreement, the Special Member has agreed to provide equity financing to the Company in order to partially finance the construction of the Apartment Complex (the "*Equity Financing*");

RESOLVED, that (a) the Company is authorized to obtain the Equity Financing from the Special Member or its affiliates and to execute and deliver the Operating Agreement; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is authorized to execute and deliver the Operating Agreement and do all things necessary and desirable to facilitate the Equity Financing; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Operating Agreement and do all things necessary to facilitate the Equity Financing; and (d) the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized to (i) execute and deliver the Operating Agreement, with such changes as the President (or any officer of the Member) in such officer's discretion believes to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable to effectuate the purposes of the foregoing resolutions and (ii) do all things necessary or desirable to cause the Company to obtain the Equity Financing and perform the Company's and/or the Managing Member's obligations thereunder.

#### 4. CONSTRUCTION LOAN FINANCING

WHEREAS, InterBank, an Oklahoma state banking corporation (the "*Construction Lender*") has agreed to make a construction loan (the "*Construction Loan*") to the Company in an approximate amount of \$81,000,000 in order to finance the construction of the Apartment Complex; and

WHEREAS, in connection with the Construction Loan, the Company will execute a promissory note (the "*Promissory Note*") payable to the Construction Lender; and

WHEREAS, to secure the Company's obligations under the Promissory Note, the Company and/or the Managing Member will execute, for the benefit of the Construction Lender, a Construction Loan Agreement, a Deed of Trust, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing, an Environmental Indemnity Agreement, an Assignment and Subordination of Development Management Agreement, a Deposit Account Pledge Agreement, a Notice of Final Agreement, and certain other documents evidencing, governing and/or securing the Company's obligations under the Promissory Note (collectively, together with the Promissory Note, the "*Construction Loan Documents*");

RESOLVED, that (a) the Company is authorized to obtain the Construction Loan from the Construction Lender and to execute and deliver the Construction Loan Documents; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is authorized to execute and deliver the Construction Loan Documents and do all things necessary to facilitate the Construction Loan; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Construction Loan Documents and do all things necessary to facilitate the Construction Loan; and (d) the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized to (i) execute and deliver the Construction Loan Documents, with such changes as the President (or any officer of the Member), in such officer's discretion believes to be

necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable to effectuate the purposes of the foregoing resolutions and (ii) do all things necessary or desirable to cause the Company to obtain the Construction Loan and perform the Company's and/or the Managing Member's obligations thereunder.

5. CONSTRUCTION CONTRACT

WHEREAS, in connection with the construction and development of the Apartment Complex, the Company will enter into a Construction Management Agreement (the "*Construction Contract*") with the Member, in its capacity as general contractor (the "*General Contractor*"); and

RESOLVED, that the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on behalf of the Company, is hereby individually authorized to (i) execute and deliver the Construction Contract, with such changes as the President (or any officer of the Member) in such officer's discretion believes to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Company and/or the Managing Member to perform the Company's obligations thereunder.

6. AUTHORIZATION AND RATIFICATION

RESOLVED, that the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each individually authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of the Member, the Managing Member, and the Company as such person shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, prior to the date this consent is actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

7. CONSENT TO CLASS B SPECIAL LIMITED PARTNER ACTIONS

WHEREAS, under the Operating Agreement, the Managing Member will delegate authority to the Special Member to execute documents and take actions on behalf of the Company;

WHEREAS, pursuant to such delegation of authority, the Special Member will execute on behalf of the Company certain of the Ground Lease Documents, the Regulatory Agreement, the Operating Agreement and the Construction Loan Documents (collectively, the "*Transaction*

*Documents*") on behalf of the Partnership and will take, or cause to be taken, actions on behalf of the Company to carry out the transactions contemplated herein;

RESOLVED, that the Managing Member hereby consents to the Special Member's execution of any of the Transaction Documents on behalf of the Company in lieu of the Managing Member's execution thereof and without the need for joinder by the Managing Member in such execution.

FURTHER RESOLVED, that the Managing Member hereby consents to the Special Member's actions on behalf of the Company, as set forth in the Operating Agreement, to carry out the transactions contemplated herein without the need for joinder by the Managing Member in such actions except where specifically required in the Operating Agreement.

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PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2024.

MERRITT PARK MM, LLC

By: \_\_\_\_\_  
Jeff Winget  
President

**ROWLETT HOUSING FINANCE CORPORATION**

The undersigned officer of the Rowlett Housing Finance Corporation (the "*Sole Member*"), sole member of Merritt Park Holdings, LLC, a Texas limited liability company, hereby certifies that he is the duly elected qualified and acting President of the Board of Directors (the "*Board*") of the Sole Member, and hereby certifies that true, correct and complete copies of certain resolutions adopted by the Board at its September \_\_, 2024 meeting are attached hereto (the "*Resolutions*"). The Resolutions have not been amended or revoked and are now in full force and effect.

Dated: September \_\_, 2024

By \_\_\_\_\_  
Jeff Winget  
President

**ROWLETT HFC FOUNDATION**

The undersigned officer of the Rowlett HFC Foundation (the "*Sole Member*"), hereby certifies that he is the duly elected qualified and acting President of the Board of Directors (the "*Board*") of the Sole Member, and hereby certifies that true, correct and complete copies of certain resolutions adopted by the Board at its September \_\_, 2024 meeting are attached hereto (the "*Resolutions*"). The Resolutions have not been amended or revoked and are now in full force and effect.

Dated: September \_\_, 2024

By: \_\_\_\_\_  
Jeff Winget  
President

## ROWLETT HFC FOUNDATION

### RESOLUTION OF THE SOLE MEMBER OF MERRITT PARK MM, LLC

September \_\_, 2024

ROWLETT HFC FOUNDATION, a Texas nonprofit corporation duly organized and validly existing under the laws of the State of Texas (the "*Member*"), the sole member of MERRITT PARK MM, LLC, a Texas limited liability company (the "*Managing Member*"), the incoming managing member of JEFFERSON MERRITT 190, LLC, a Delaware limited liability company (the "*Company*"), hereby adopts the following resolutions:

1. LEASE OF REAL PROPERTY

WHEREAS, the Managing Member is the sole managing member of the Company; and

WHEREAS, the Member, is the sole member of the Managing Member; and

WHEREAS, Jeff Winget, an individual, is the President of the Member (the "*President*");  
and

WHEREAS, Merritt Park Holdings, LLC (the "*Ground Lessor*") will acquire certain real property located in Dallas County, Texas (the "*Real Property*") on which a multifamily project is to be constructed, developed and operated, to be known as "Jefferson Merritt Park" (the "*Apartment Complex*"); and

WHEREAS, the Ground Lessor will enter into a Ground Lease (the "*Ground Lease*") with the Company pursuant to which the Ground Lessor will lease the Real Property to the Company for a 99-year term; and

WHEREAS, in connection with the lease of the Real Property from the Ground Lessor, the Company and/or the Managing Member will be required to enter into various documents to evidence such leasehold interest, including but not limited to the Ground Lease (collectively, the "*Ground Lease Documents*");

RESOLVED, that the prior actions of the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on behalf of the Company, with respect to the lease of the Real Property, including but not limited to the execution of the Ground Lease Documents, are hereby ratified and approved; and

RESOLVED, that (a) the Company is authorized to lease the Real Property and to execute and deliver the Ground Lease Documents; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Ground Lease Documents and to do all things necessary or desirable to facilitate the lease of the Real Property and the construction, development and operation of the Apartment Complex thereon; (c) the

Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Ground Lease Documents and to do all things necessary or desirable to facilitate the lease of the Real Property and the construction, development and operation of the Apartment Complex thereon; and (d) the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized to (i) execute and deliver the Ground Lease Documents, with such changes as the President (or any officer of the Member) in such person's discretion believes to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to facilitate the lease of the Real Property and the construction, development and operation of the Apartment Complex thereon.

## 2. REGULATORY AGREEMENT

WHEREAS, the Managing Member and the Company will enter into a regulatory agreement (the "*Regulatory Agreement*") with the Rowlett Housing Finance Corporation, which Regulatory Agreement shall set forth the requirements necessary for the Apartment Complex to comply with Section 394.004 of Chapter 394 of the Texas Local Government Code and certain other restrictions required by the Rowlett Housing Finance Corporation (collectively, the "*Restrictions*"), such Restrictions being within the control of the Company;

RESOLVED, that (a) the Company is authorized to execute and deliver the Regulatory Agreement; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is authorized to execute and deliver the Regulatory Agreement and do all things necessary and desirable in connection therewith; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Regulatory Agreement and do all things necessary and desirable in connection therewith; and (d) the President (or any other officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Regulatory Agreement, with such changes as the President (or any other officer of the Member) in such person's discretion believes to be necessary or desirable, and do all things, including to execute and deliver such other documents and instruments in connection therewith as may be necessary or desirable.

## 3. EQUITY FINANCING

WHEREAS, the Managing Member will be admitted as the managing member of the Company and the membership interest of Jefferson Merritt 190 Holdings, LLC, a Delaware limited liability company, will be converted to special member (the "*Special Member*") pursuant to a Second Amended and Restated Operating Agreement of the Company (the "*Operating Agreement*"); and

WHEREAS, pursuant to the Operating Agreement, the Special Member has agreed to provide equity financing to the Company in order to partially finance the construction of the Apartment Complex (the "*Equity Financing*");

RESOLVED, that (a) the Company is authorized to obtain the Equity Financing from the Special Member or its affiliates and to execute and deliver the Operating Agreement; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is authorized to execute and deliver the Operating Agreement and do all things necessary and desirable to facilitate the Equity Financing; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Operating Agreement and do all things necessary to facilitate the Equity Financing; and (d) the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized to (i) execute and deliver the Operating Agreement, with such changes as the President (or any officer of the Member) in such officer's discretion believes to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable to effectuate the purposes of the foregoing resolutions and (ii) do all things necessary or desirable to cause the Company to obtain the Equity Financing and perform the Company's and/or the Managing Member's obligations thereunder.

#### 4. CONSTRUCTION LOAN FINANCING

WHEREAS, InterBank, an Oklahoma state banking corporation (the "*Construction Lender*") has agreed to make a construction loan (the "*Construction Loan*") to the Company in an approximate amount of \$81,000,000 in order to finance the construction of the Apartment Complex; and

WHEREAS, in connection with the Construction Loan, the Company will execute a promissory note (the "*Promissory Note*") payable to the Construction Lender; and

WHEREAS, to secure the Company's obligations under the Promissory Note, the Company and/or the Managing Member will execute, for the benefit of the Construction Lender, a Construction Loan Agreement, a Deed of Trust, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing, an Environmental Indemnity Agreement, an Assignment and Subordination of Development Management Agreement, a Deposit Account Pledge Agreement, a Notice of Final Agreement, and certain other documents evidencing, governing and/or securing the Company's obligations under the Promissory Note (collectively, together with the Promissory Note, the "*Construction Loan Documents*");

RESOLVED, that (a) the Company is authorized to obtain the Construction Loan from the Construction Lender and to execute and deliver the Construction Loan Documents; (b) the Managing Member, acting on its own behalf or on behalf of the Company, is authorized to execute and deliver the Construction Loan Documents and do all things necessary to facilitate the Construction Loan; (c) the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, is hereby authorized to execute and deliver the Construction Loan Documents and do all things necessary to facilitate the Construction Loan; and (d) the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized to (i) execute and deliver the Construction Loan Documents, with such changes as the President (or any officer of the Member), in such officer's discretion believes to be

necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable to effectuate the purposes of the foregoing resolutions and (ii) do all things necessary or desirable to cause the Company to obtain the Construction Loan and perform the Company's and/or the Managing Member's obligations thereunder.

5. CONSTRUCTION CONTRACT

WHEREAS, in connection with the construction and development of the Apartment Complex, the Member will serve as general contractor (the "*General Contractor*"); and

WHEREAS, as General Contractor, the General Contractor will enter into a Construction Management Agreement with the Company (the "*Construction Contract*") and a Master Subcontract with JPI Construction, LLC a Texas limited liability company (the "*Subcontract*" and together with the Construction Contract, the "*Construction Documents*");

RESOLVED, that the President (or any officer of the Member), acting as General Contractor and on behalf of the Member, acting on behalf of the Managing Member, acting on behalf of the Company, is hereby individually authorized to (i) execute and deliver the Construction Contract and the Subcontract, with such changes as the President (or any officer of the Member) in such officer's discretion believes to be necessary or desirable, and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Member to perform the Member's obligations thereunder.

6. EXECUTION OF COMPANY RESOLUTION

RESOLVED, that upon the Managing Member's admission to the Company, the Managing Member is hereby authorized to execute and deliver a Company Resolution (the "*Company Resolution*"), the form of which is attached hereto as *Exhibit A*, in order to authorize the Company's participation in the transactions described herein and in the Company Resolution; and

FURTHER RESOLVED, that the President (or any officer of the Member), acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each hereby individually authorized, without any further action or consent from the Member, to execute and deliver the Company Resolution.

7. AUTHORIZATION AND RATIFICATION

RESOLVED, that the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, are each individually authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of the Member, the Managing Member, and the Company as such person shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by the President (or any officer of the Member), acting on behalf of the Member, acting on behalf of the Managing Member, acting on its own behalf or on behalf of the Company, prior to the date this consent is actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**EXHIBIT A**

FORM OF COMPANY RESOLUTION

[ATTACHED]