



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

Board of Directors Meeting

**Thursday, June 27th, 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 May 29, 2024, Rowlett Housing Finance Corporation Board meeting.
4. April 2024 financial report.
 - a. monthly expenses for March, April & May (payroll, accounting, legal, travel, and incidentals).
5. JPI Merrit Update
 - a. Rowlett HFC resolution needs action
 - b. Rowlett Foundation resolution needs action
6. Update/discussion on Lakeview Pointe Seniors (contracts/agreement)
 - a. Update on required City Council action. 2024 loan approved on 6/18/24 by City Council.
 - b. A total of 8 move ins for May and 0 move outs. 2 of the move-ins were local Rowlett residents. We have 89 residents in building 3 and 6 leased units making building 3 making it 98.96% leased. We currently have no units left to lease in building 3. We are 89.70% (higher because we have marked building 2 to down) occupied on the property. We also had 6 new applicants, 1 cancelled, leaving a net of 5.

We projected to be 90.22% occupied between Building 1 and 3 by June 30. The property is 89.13% leased between Building 1 and 3.

We are waiting for final approval from the City for the pool, and we are waiting for the Fire Dept. to install their equipment on the gate, then it will be ready to begin use.
7. 190 Main update
8. Vision/Mission Statement of the RHFC

9. **Update/discussion on renewal of Rowlett HFC's participation in the single-family home mortgage program**
 - a. **Consider and adopt a resolution approving an assignment agreement with the Texas Department of Housing and Community Affairs (TDHCA) authorizing TDHCA to issue bonds for the purpose of obtaining funds to finance home mortgage loans for persons of low and moderate income; and**
 - b. **Consider and adopt a resolution approving an application to the Texas Bond Review Board for a single-family private activity bond allocation in an amount up to \$4,000,000 and approving all other matters in connection therewith.**

 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.**
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everything was now in place for this project to move forward. Director Schupp asked Ms Fisher if they were able to continue working on the project, and she said yes. Director Kull asked for an update on litigation and insurance claims and Ms Fisher said there had been no new progress to report.

President Winget asked when the Savannah project PILOT payment would be made and Ms Fisher said she wasn't sure but thought it is scheduled for January 30th. President Winget said they should be prepared to answer questions at the City Council meeting, but not make a presentation, since he felt it would be most appropriate if Executive Director Urrutia make a short, concise presentation for this project.

There being no further questions, President Winget said he would like to move on to Agenda Item 9, the One90 Main update.

9. Update/Discussion on One90 Main:

President Winget recognized Kanneth Fambro with One90 Main.

Mr. Fambro said there have been many frustrations moving forward, but they are actively leasing and now have 44 leases in place. Director Kull asked Mr. Fambro if he knew what the current occupancy rates are for Rowlett, and he said no. He did say the Dallas-Ft Worth area currently has an oversupply of units.

President Winget said a new Community Development Director has been hired, which should alleviate many if not all the frustrations mentioned before. Executive Director Urrutia briefed the Board on buildings completed to date, and President Winget asked Mr. Fambro for the project completion date. Mr. Fambro said he would be better able to provide an up-to-date answer after June 1st. Mr. Fambro said their goal was to lease 30 units per month. there being no further questions, President Winget said he would like to move on to Agenda Item 5, Update/Discussion on JPI Merrit. There was no action taken on Agenda Item 9.

**7. Updated Letter of Engagement from Chapman and Cutler
On JPI Development:**

President Winget said he thought he already signed off on this and it was already handled. Executive Director Urrutia agreed.



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President Winget reminded the Board that letter specifically states any fees are paid by the developer, not the HFC. He then said he would like to move on to Agenda Item 8, Update From Chapman and Cutler on Vista North Shore. No action was taken on Agenda Item 7.

- 8. Update From Chapman and Cutler on Vista North Shore: Executive Director Urrutia said we're waiting on the Comptroller's confirmation that this is done.**

No action was taken on Agenda Item 8.

Director Dunnican recommended sending the One90 Main E-mail to the new Community Development Director.

President Winget said he would do that. He then said he would like to move on to Agenda Item 10, Discussion of Single Family Homebuyer Programs.

- 10. Discussion of Single-Family Homebuyer Programs:**

Director Dunnican said the best way for the HFC to contribute to single family development is through a first-time buyer program. An opportunity could be the proposed single-family portion of the JPI Development. Executive Director Urrutia said he has had conversations with some Developers about this, but until the HFC receives additional funds from existing projects, we're limited in what we can do in this area. Director Schupp said although the Board is interested in looking into this, he would like to avoid tax abatement programs. Director Dunnican agreed, and said she was thinking about houses in the \$400,000 to \$500,000 range and suggested inviting a TRIO representative to an HFC meeting to discuss new programs. The TRIO program doesn't require funding, just promotion among Rowlett realtors, who can list homes with Home Partners of America. After additional discussion of various options/programs/grants in this area, Director Kull recommended additional education.



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Executive Director Urrutia said he had a report to present to the Board concerning JPI that might require an Executive Session. After describing the nature of the report, President Winget said he didn't believe an Executive Session was appropriate. Executive Director Urrutia then told the Board that he had been made aware of communication between a community member and the President of the bank providing loan(s) to the JPI Development, which was, according to his understanding, very negative and disparaging of this project. He continued that although he has not seen the contents of this communication, it is his understanding the communication was untruthful, and damaging to the HFC and the project. He then asked for guidance on how the Board would like to proceed. Before dealing with that issue,

Executive Director Urrutia advised the Board that JPI has a closing date of June 21st. and the Board has to sign off on the closing documents. This would require a special Board meeting around the 18th, and it was suggested we could meet an hour prior to the City Council Meeting on that date, if necessary. However, we don't have the documents to review yet. President Winget said he would need clarification on the necessity to bring these documents to Council since the project has already been approved by the Board and Council. If President Winget can be assured by the City Attorney this doesn't require Council approval, then he would be comfortable with the Board signing these documents on the 18th.

Director Dunnican then said she wanted to return to the negative communication matter. She asked if responding to this situation would be helpful, or would it be best to ignore it. Executive Director Urrutia said he wasn't sure anything could be done, but he would attempt to get a copy of the communication and could then better determine what further action might be necessary. Director Schupp said unless there is something legally we can do, there doesn't appear we have any recourse, and it doesn't appear this is having any impact in the community. Director Kull asked if we should at least try to correct any inaccuracies regards the HFC or the project, and President Winget said unless JPI wants to pursue it, he thinks unless City Council becomes involved it probably should be ignored for now. Director Schupp suggested



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we could ask the HFC lawyer to contact the Bank President to determine what if any response we should make. President Winget asked Executive Director Urrutia to contact the HFC lawyer to decide on any further action.

President Winget then asked for clarification on what now needs to be scheduled to go before the City Council. Executive Director Urrutia said if all the JPI documents are forthcoming, and it's determined they need to go to Council for approval, we will need to meet again on the 18th for that to happen. President Winget said we also have the new Savannah loan proposal to go to Council, but not the already approved existing loan extension. President Winget requested clarification on the difference between our requirement to get approval from City Council for the Savannah loan and not for the JPI loan. Director Schupp said he believes the language is that if a debt instrument is issued then it requires City Council approval, but this is not by definition a debt instrument because that would involve issuing a bond.

There being no further discussion of these items, President Winget recommended moving on to Agenda Item 7, Updated Letter of Engagement from Chapman and Cutler on JPI Development. President Winget reminded the Board that letter specifically states any fees are paid by the developer, not the HFC. He then said he would like to move on to Agenda Item 8, Update From Chapman and Cutler on Vista North Shore. No action was taken on Agenda Item 7.

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
MAY 31, 2024

		Primary Government Enterprise Fund
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$	182,252
Investments		589,775
Accounts receivable - annual issuer fee		18,750
Prepaid expense		3,676
Total current assets		794,453
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		7,392,336
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable		5,552
Accrued payroll liabilities		42
Total liabilities		5,594
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred inflows related to land leases		6,234,631
<u>NET POSITION</u>		
Net investment in capital assets		347,692
Unrestricted		804,419
Total net position	\$	1,152,111

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
FIVE MONTHS ENDED MAY 31, 2024

		Primary Government Enterprise Fund
Operating revenue:		
Annual issuer fees - Savannah at Lakeview	\$	15,625
Agency fees		1,423
Land lease income		27,390
Other income		307
Total operating revenue		44,745
Operating expenses:		
Salary and related benefits		43,581
Professional services (accounting & legal)		27,459
Office expense		11,388
Property and liability insurance		408
Conference and travel expense		3,248
Total operating expenses		86,084
Net operating loss		(41,339)
Non-operating income (expense):		
Interest income		15,733
Community outreach		(1,390)
Total non-operating income		14,343
Change in net position		(26,996)
Net position:		
Beginning of year		1,179,107
End of year	\$	1,152,111

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.

No assurance is provided on these financial statements.

SUPPLEMENTAL INFORMATION

ROWLETT HOUSING FINANCE CORPORATION
COMBINING STATEMENT OF NET POSITION
MAY 31, 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	\$ 7,687	\$ 10,893	\$ 10,894	\$ 10,894	\$ 10,893	\$ 10,893	\$ 10,893	\$ 10,893	\$ 10,892	\$ 87,420	\$ 182,252	\$ -	\$ 182,252
Investments	589,775	-	-	-	-	-	-	-	-	-	589,775	-	589,775
Accounts receivable - annual issuer fee	18,750	-	-	-	-	-	-	-	-	-	18,750	-	18,750
Intercompany receivable	4,642	-	-	-	-	2,770	-	-	-	-	7,412	(7,412)	-
Prepaid expense	3,676	-	-	-	-	-	-	-	-	-	3,676	-	3,676
Total current assets	624,530	10,893	10,894	10,894	10,893	13,663	10,893	10,893	10,892	87,420	801,865	(7,412)	794,453
Capital assets, net of accumulated depreciation	-	-	2,112,612	-	-	-	-	-	4,269,711	-	6,382,323	-	6,382,323
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	705,090	10,893	2,325,506	10,894	10,893	28,663	10,893	10,893	4,280,603	87,420	7,479,748	(87,412)	7,392,336

LIABILITIES

Current liabilities:													
Accounts payable	5,552	-	-	-	-	-	-	-	-	-	5,552	-	5,552
Intercompany payable	1,423	865	323	324	323	-	323	323	323	3,185	7,412	(7,412)	-
Accrued payroll liability	42	-	-	-	-	-	-	-	-	-	42	-	42
Total current liabilities	7,017	865	323	324	323	-	323	323	323	3,185	13,006	(7,412)	5,594
Deferred inflow of resources for land leases	-	-	2,162,722	-	-	-	-	-	4,071,909	-	6,234,631	-	6,234,631

DEFERRED INFLOW OF RESOURCES

Net investment in capital assets	-	-	149,890	-	-	-	-	-	197,802	-	347,692	-	347,692
Unrestricted	698,073	10,028	10,570	10,570	10,570	28,663	10,570	10,570	10,569	84,235	884,419	(80,000)	804,419
Total net position	698,073	10,028	160,461	10,570	10,570	28,663	10,570	10,570	208,371	84,235	1,232,111	(80,000)	1,152,111

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 Trilo Program are excluded on the monthly financial statements.

ROWLETT HOUSING FINANCE CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FIVE MONTHS ENDED MAY 31, 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 revenues:													
Annual issuer fees - Savannah	\$ 15,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,625	\$ -	\$ 15,625
Agency fees	-	-	-	-	-	1,423	-	-	-	-	1,423	-	1,423
Land lease income	-	-	9,733	-	-	-	-	-	17,657	-	27,390	-	27,390
Other income	307	-	-	-	-	-	-	-	-	-	307	-	307
Total operating revenue	15,932	-	9,733	-	-	1,423	-	-	17,657	-	44,745	-	44,745
Operating expenses:													
Salary and related benefits	43,581	-	-	-	-	-	-	-	-	-	43,581	-	43,581
Professional services	23,684	-	323	323	323	323	323	323	322	1,515	27,459	-	27,459
Office expense	11,388	-	-	-	-	-	-	-	-	-	11,388	-	11,388
Property and liability insurance	408	-	-	-	-	-	-	-	-	-	408	-	408
Conference and travel expense	3,248	-	-	-	-	-	-	-	-	-	3,248	-	3,248
Total operating expenses	82,309	-	323	323	323	323	323	323	322	1,515	86,084	-	86,084
Net operating income (loss)	(66,377)	-	9,410	(323)	(323)	1,100	(323)	(323)	17,335	(1,515)	(41,339)	-	(41,339)
Non-operating income (expense):													
Interest income	13,877	232	232	232	232	232	232	232	232	-	15,733	-	15,733
Community outreach	(1,390)	-	-	-	-	-	-	-	-	-	(1,390)	-	(1,390)
Total non-operating expense	12,487	232	232	232	232	232	232	232	232	-	14,343	-	14,343
Change in net position	(53,890)	232	9,642	(91)	(91)	1,332	(91)	(91)	17,567	(1,515)	(26,996)	-	(26,996)
Net position:													
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
End of year	698,073	10,028	160,461	10,570	10,570	28,663	10,570	10,570	208,371	84,235	1,232,111	(80,000)	1,152,111

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.

	Mar-24	Apr-24
Fix Cost(hard cost)		
Rent	550	550
Payroll	5898.56	5898.56
USATaxPayment IRS	2114.54	2114.56
Accounting Brown & Graham	2375	2375
Katalism Technology	857.34	792
Legal Fees(Nichols Jackson) David Berman	319.5	
Service charge Truist Bank	15	15
Ryan Insurance(required by landlord)	939.12	
Rowlett Chamber (chamber dues)	320	
Chamber Ad	1389.5	
Chamber Luncheon	20	20
Other lunches		33.18
Travel		
	\$14,798.56	\$11,798.28

May-24

	550	\$1,650.00
	8847.82	\$20,644.94
	5286.36	\$9,515.68
	2375	\$7,125.00
	792	\$2,441.34
		\$319
	15	\$45.00
		\$939.12
		\$320.00
		\$1,389.50
		\$40.00
		\$33.18
	2242.23	\$2,242.23
	\$20,108.41	\$46,705.25

ROWLETT HOUSING FINANCE CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF MERRITT PARK MM, LLC, AS MANAGING MEMBER (THE "COMPANY") TO JEFFERSON MERRITT 190, LLC IN CONNECTION WITH THE ACQUISITION, FINANCING, CONSTRUCTION AND OPERATION OF A MULTIFAMILY RESIDENTIAL DEVELOPMENT; AUTHORIZING THE DESIGNATION OF THE ROWLETT HOUSING FINANCE CORPORATION (THE "CORPORATION") AS THE INITIAL SOLE MEMBER OF THE COMPANY; AUTHORIZING THE ASSIGNMENT OF THE CORPORATION'S INTEREST IN THE COMPANY TO ROWLETT HFC FOUNDATION AND THE EXECUTION AND DELIVERY OF A TRANSFER AND ASSIGNMENT AGREEMENT; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE COMPANY; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Rowlett Housing Finance Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Corporation, through its wholly-owned subsidiaries, intends to participate with Jefferson Merritt 190, LLC a Delaware limited liability company (the "Borrower"), in the financing, acquisition, construction and operation of a multifamily residential rental development to be known as Jefferson Merritt Park located in Dallas County, Texas (the "Development"); and

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interest of the Corporation to form with the Texas Secretary of State Merritt Park MM, LLC (the "Company"), which will be the managing member of the Borrower; and

WHEREAS, as the initial sole member of the Company, the Corporation desires to assign all of its ownership interest in the Company to the Rowlett HFC Foundation, its nonprofit affiliate; to authorize the execution of a Transfer and Assignment Agreement in connection therewith (the form of which is attached hereto as *Exhibit A*), and to ratify all actions previously taken on behalf of the Company in connection with the formation and assignment described herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ROWLETT HOUSING FINANCE CORPORATION:

Section 1. Formation of Company. The formation of Merritt Park MM, LLC is hereby approved and ratified.

Section 2. Designation of Initial Sole Member. The designation of the Corporation as the initial sole member of the Company is hereby approved and ratified.

Section 3. Assignment to Rowlett HFC Foundation. The assignment of the Corporation's ownership interest in the Company to the Rowlett HFC Foundation, and the execution and delivery of the Transfer and Assignment Agreement is hereby approved.

Section 4. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Company to carry into effect the transactions contemplated by this Resolution.

Section 5. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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PASSED AND APPROVED the 27th day of June, 2024.

ROWLETT HOUSING FINANCE CORPORATION

By _____
Jeff Winget
President

EXHIBIT A
FORM OF TRANSFER AND ASSIGNMENT AGREEMENT

TRANSFER AND ASSIGNMENT AGREEMENT

This Transfer and Assignment Agreement (this "*Agreement*") is entered into and effective as of June 27, 2024 (the "*Effective Date*"), by and between the Rowlett Housing Finance Corporation, a Texas public, nonprofit housing finance corporation (the "*Assignor*"), and the Rowlett HFC Foundation, a Texas nonprofit corporation (the "*Assignee*").

RECITALS

As of the Effective Date, the Assignor is the only member of, and the holder of 100% of the membership interests in Merritt Park MM, LLC, a Texas limited liability company (the "*Company*"). The term "*Assigned Interests*" means, with respect to the Assignor, (a) its entire membership interest in the Company, (b) its capital account balance in the Company as of the Effective Date, and (c) all of its other rights under the Company's certificate of formation, and under applicable law, attendant or with respect to, its entire interest in the Company.

The parties hereto desire to execute and deliver this Agreement in order to record and effect (a) the transfer, conveyance, assignment, and delivery of the Assigned Interests in the Company from the Assignor to the Assignee and (b) to take the other actions and make the other agreements set forth herein.

The effect of this Agreement will be that on and after the Effective Date, the Assignee will be the sole member of, and the only holder of a membership interest in, the Company.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. *Assignment.* Effective as of the Effective Date, the Assignor hereby assigns, conveys, delivers, and transfers to the Assignee, free and clear of all liens and encumbrances of any kind or nature whatsoever, its entire right, title, and interest in, to, and under its Assigned Interests, including the right of the Assignee to be admitted to the Company as a member with respect to the applicable Assigned Interests, and the Assignee hereby accepts and assumes such Assigned Interests from the Assignor (the "*Assignment*"). For the avoidance of doubt, this Assignment will result in the Assignee acquiring and assuming (a) the Assignor's entire membership interest in the Company, (b) the Assignor's capital account balance (if any) in the Company as of the Effective Date, and (c) all other rights of the Assignor under the Company's certificate of formation, and under applicable law, attendant or with respect to, the Assignor's entire interest in the Company.

2. *Resignation of Member; Admission of Member.* The Assignor and the Assignee shall do all things necessary to cause the Company's books and records to reflect that, as of the Effective Date, the Assignor is withdrawing from the Company as a member and that the Assignee is being admitted to the Company as the sole member.

3. *Consent; Waiver of Notices.* Each of the parties hereto hereby consents to the Assignment, the admission of the Assignee as the sole member of the Company, and all other transactions contemplated by this Agreement. Each of the parties hereto hereby waives all rights to notices related to the Assignment, the admission of the Assignee as the sole member of the Company, and all other transactions contemplated by this Agreement, including those that may be required under the company agreements or certificates of formation of the Company or applicable law.

4. *Indemnification.* The Assignor hereby indemnifies and holds the Assignee harmless with respect to any liabilities or obligations of the Company existing prior to the Effective Date.

5. *Further Assurances.* Each of the parties hereto agree to execute and deliver, upon the written request of any of the other parties, any and all such further instruments and documents as are reasonably appropriate for the purpose of obtaining the full benefits of this Agreement or giving full effect to the Assignment.

6. *General Provisions.*

6.1. The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision of this Agreement.

6.2. This Agreement will be binding upon and will inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns.

6.3. All issues and questions concerning the application, construction, validity, interpretation, and enforcement of this Agreement will be governed by and construed in accordance with the internal laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Texas.

6.4. No provision of this Agreement may be waived, altered, modified, amended, or supplemented in any manner or respect whatsoever except by a written instrument signed by the parties hereto.

6.5. 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. Counterparts may be delivered via facsimile, electronic mail, or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed as of the Effective Date.

ASSIGNOR:

ROWLETT HOUSING FINANCE CORPORATION

By: _____

Jeff Winget
President

ASSIGNEE:

ROWLETT HFC FOUNDATION

By: _____

Name: _____

Title: _____

ROWLETT HOUSING FINANCE CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF MERRITT PARK HOLDINGS, LLC (THE "*GROUND LESSOR*") IN CONNECTION WITH THE ACQUISITION, FINANCING, CONSTRUCTION AND OPERATION OF A MULTIFAMILY RESIDENTIAL DEVELOPMENT; AUTHORIZING THE DESIGNATION OF THE ROWLETT HOUSING FINANCE CORPORATION (THE "*CORPORATION*") AS THE SOLE MEMBER OF THE GROUND LESSOR; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE GROUND LESSOR; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Rowlett Housing Finance Corporation (the "*Corporation*") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, as amended (the "*Act*"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Corporation, through its wholly-owned subsidiaries, intends to participate with Jefferson Merritt 190, LLC a Delaware limited liability company (the "*Borrower*"), in the financing, acquisition, construction and operation of a multifamily residential rental development to be known as Jefferson Merritt Park located in Dallas County, Texas (the "*Development*"); and

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interest of the Corporation to act as the sole member of Merritt Park Holdings, LLC (the "*Ground Lessor*"), a Texas limited liability company that will enter into a ground lease (the "*Ground Lease*") with the Borrower; and

WHEREAS, as the sole member of the Ground Lessor, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions under the Ground Lease, to appoint officers of the Ground Lessor; to approve of the Ground Lessor's formation and the form and substance of its Limited Liability Company Agreement (the "*Company Agreement*"); and to ratify all actions previously taken on behalf of the Ground Lessor;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROWLETT HOUSING FINANCE CORPORATION THAT:

Section 1. Formation of Ground Lessor. The formation of Merritt Park Holdings, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Ground Lessor is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Ground Lessor, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Ground Lessor. Jeff Winget is appointed President, Carter Holston is appointed Vice President and Richard Kull is appointed Secretary of the Ground Lessor.

Section 5. Execution and Delivery of Financing Documents. The officers of the Ground Lessor are each hereby authorized to negotiate the terms of, execute and attest to the Ground Lease and any other such agreements, assignments, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Ground Lessor to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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PASSED AND APPROVED the 27th day of June, 2024.

ROWLETT HOUSING FINANCE CORPORATION

By _____
Jeff Winget
President

- 6. Powers** The business and affairs of the Company shall be managed by the Member. The Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the laws of the State of Texas. The Member shall have the authority to bind the Company.
- 7. Term** The term of the Company commenced on the filing of the Certificate of Formation with the Texas Secretary of State and shall be perpetual unless dissolved as provided in this Agreement or the Code.
- 8. Dissolution and Liquidation** The Company shall be dissolved upon (a) an election to dissolve the Company by the Member; or (b) any other event that would cause its dissolution under the Code. Upon the dissolution of the Company, a liquidator shall be selected by the Member. The liquidator shall liquidate the assets of the Company and apply and distribute the proceeds of such liquidation in the following order of priority: (i) to the payment of the expenses of the terminating transactions including, without limitation, brokerage commission, legal fees, accounting fees and closing costs; (ii) to the payment of creditors of the Company, including the Member, in the order of priority provided by law; and (iii) to the Member. The distribution to the Member shall be in cash or in-kind assets of the Company or both, as determined by the Member. Upon completion of the distribution of the Company property provided herein, the Company shall be terminated and the liquidator shall cause the cancellation of the Certificate and any other filings made by the Company and shall take such other actions as may be necessary to terminate the Company.
- 9. Capital Contributions** The Member will contribute \$10,000, in cash, and no other property, to the Company.
- 10. Additional Contributions** No Member is required to make any additional capital contribution to the Company.
- 11. Allocation of Profits and Losses** The Company's profits and losses shall be allocated in proportion to the capital contributions of the Member.
- 12. Taxes** The Member may make any tax elections for the Company allowed under the Internal Revenue Code of 1986, as amended from time to time, or the tax laws of any state or other jurisdiction having taxing authority over the Company

that the Member may deem appropriate and in the best interests of the Company and the Member.

13. Distributions

Distributions shall be made to the Member at the times and in the aggregate amounts determined by the Member. Such distributions shall be allocated among the Member and any additional members (if admitted as provided herein) in the same proportion as their capital account balances.

14. Assignments

A Member may assign its limited liability company interest in whole or in part only with the consent of the other Members.

15. Resignation

Without the consent of any remaining members, a Member may not resign from the Company.

16. Admission of Additional Members

One (1) or more additional members of the Company may be admitted to the Company with the consent of the Members and upon being so admitted shall become bound by all of the terms of this Agreement and shall execute a written joinder to this Agreement.

17. Liability of Members

The Member shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Code. The Company shall indemnify, in accordance with and to the full extent now or hereafter permitted by law, the Member and any officer or employee of the Company, and may so indemnify any agent of the Company, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administration or investigative (including, without limitation, an action by or in the right of the Company) by reason of any action or omission in their respective capacities against any liabilities, expenses (including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption

(i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

18. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; and in furtherance of the purposes of the Company, may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Company; and shall have charge of the corporate books, records, documents and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours.

19. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

20. Binding Effect

This Agreement binds and inures to the benefit of the parties hereto, and their successors and assigns. This Section 20

does not address, directly or indirectly, whether a party may assign rights or delegate performance under this Agreement.

21. Amendment

This Agreement may be amended in writing by the Member.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ROWLETT HOUSING FINANCE CORPORATION, as
sole member

By: _____
Jeff Winget
President

ATTEST:

By: _____
Richard Kull
Secretary

ROWLETT HFC FOUNDATION

RESOLUTION AUTHORIZING THE TRANSFER AND ASSIGNMENT OF MERRITT PARK MM, LLC AS INCOMING MANAGING MEMBER (THE "COMPANY") TO JEFFERSON MERRITT 190, LLC IN CONNECTION WITH THE ACQUISITION, FINANCING, CONSTRUCTION AND OPERATION OF A MULTIFAMILY RESIDENTIAL DEVELOPMENT; AUTHORIZING THE DESIGNATION OF THE ROWLETT HFC FOUNDATION (THE "FOUNDATION") AS THE SOLE MEMBER OF THE COMPANY; APPROVING THE FORM AND SUBSTANCE OF AN AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE COMPANY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Rowlett Housing Finance Corporation (the "Corporation"), through its wholly-owned subsidiaries, intends to participate with Jefferson Merritt 190, LLC a Delaware limited liability company (the "Borrower"), in the financing, acquisition, construction and operation of a multifamily residential rental development to be known as Jefferson Merritt Park located in Dallas County, Texas (the "Development"); and

WHEREAS, the Rowlett HFC Foundation, a nonprofit corporation duly formed pursuant to the laws of the State of Texas (the "Foundation"), was formed by the Corporation to assist in carrying out its public purpose, including to provide decent, safe and sanitary housing at affordable prices for low and moderate income residents of the City of Rowlett;

WHEREAS, the Board of Directors of the Foundation has determined that it is in the best interest of the Foundation to be admitted to and act as the sole member of the Company, which will be the managing member of the Borrower; and

WHEREAS, as the sole member of the Company, the Foundation desires to appoint officers of the Company and authorize the officers to enter into agreements on behalf of and for the benefit of the Borrower; to approve of (i) the Company's transfer and assignment, and (ii) the form and substance of its Amended and Restated Limited Liability Company Agreement (the "Company Agreement"); and to ratify all actions previously taken on behalf of the Company in connection with the financing, acquisition, construction and operation of the Development;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROWLETT HFC FOUNDATION:

Section 1. Transfer and Assignment of Company. The transfer and assignment of Merritt Park MM, LLC to the Foundation is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Foundation as the sole member of the Company is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Foundation, as sole member of the Company, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Company. Jeff Winget is appointed President, Carter Holston is appointed Vice President and Richard Kull is appointed Secretary of the Company.

Section 5. Execution and Delivery of Financing Documents. The officers of the Company or the Foundation are each hereby authorized to negotiate the terms of, execute and attest to any such agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Foundation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Company or the Borrower to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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Rowlett, Texas 75088

- 6. Powers** The business and affairs of the Company shall be managed by the Member. The Member shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members under the laws of the State of Texas. The Member shall have the authority to bind the Company.
- 7. Term** The term of the Company commenced on the filing of the Certificate of Formation with the Texas Secretary of State and shall be perpetual unless dissolved as provided in this Agreement or the Code.
- 8. Dissolution and Liquidation** The Company shall be dissolved upon (a) an election to dissolve the Company by the Member; or (b) any other event that would cause its dissolution under the Code. Upon the dissolution of the Company, a liquidator shall be selected by the Member. The liquidator shall liquidate the assets of the Company and apply and distribute the proceeds of such liquidation in the following order of priority: (i) to the payment of the expenses of the terminating transactions including, without limitation, brokerage commission, legal fees, accounting fees and closing costs; (ii) to the payment of creditors of the Company, including the Member, in the order of priority provided by law; and (iii) to the Member. The distribution to the Member shall be in cash or in-kind assets of the Company or both, as determined by the Member. Upon completion of the distribution of the Company property provided herein, the Company shall be terminated and the liquidator shall cause the cancellation of the Certificate and any other filings made by the Company and shall take such other actions as may be necessary to terminate the Company.
- 9. Capital Contributions** The Member will contribute \$10,000, in cash, and no other property, to the Company.
- 10. Additional Contributions** No Member is required to make any additional capital contribution to the Company.
- 11. Allocation of Profits and Losses** The Company's profits and losses shall be allocated in proportion to the capital contributions of the Member.

believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

18. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. Such office shall be assumed by the persons serving in the respective office on the Board of Directors of the Member. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; and in furtherance of the purposes of the Company, he may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Company; and shall have charge of the corporate books, records, documents and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours.

- 19. Governing Law** This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.
- 20. Binding Effect** This Agreement binds and inures to the benefit of the parties hereto, and their successors and assigns. This Section 20 does not address, directly or indirectly, whether a party may assign rights or delegate performance under this Agreement.
- 21. Amendment** This Agreement may be amended in writing by the Member.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement as of the Effective Date.

ROWLETT HFC FOUNDATION, as sole member

By: _____
Jeff Winget
President

ATTEST:

By: _____
Richard Kull
Secretary

Mission Statement Examples

Provide affordable housing (homes) by downpayment and/or closing cost assistance, and provide affordable Senior/Veterans housing, by direct ownership within the city of Rowlett in order to enhance the community.

Offer a means to help finance residential housing ownership that will provide a decent, safe, affordable and sanitary living space for residents of Rowlett. This could include mortgage credit certificates for first time buyers, assistance with rehabilitation of existing homes, and support for leases/construction, among other forms of financial assistance.

The purpose of the RHFC is to provide a means to help finance the cost of development that will provide affordable housing for qualifying low and moderate income families/seniors/Veterans who are residents of Rowlett, as a foundation for a meaningful life.

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS OR MORTGAGE CREDIT CERTIFICATES; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Rowlett Housing Finance Corporation (the "Corporation") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Act authorizes the Corporation to issue bonds for the purpose of obtaining funds to finance home mortgage loans (or participation interests therein) for persons of low and moderate income for homes within the geographic limits of Rowlett, TX; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State of Texas (the "State") is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Corporation, in order to reserve a portion of the State ceiling for qualified mortgage bonds and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation ("Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that an Application for Reservation be accompanied by a copy of a certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board of Directors of the Corporation (the "Board") has determined to authorize the filing of an Application for Reservation with the Bond Review Board in the maximum amount of \$4,000,000 with respect to qualified mortgage bonds, and the Bond Review Board is expected to issue a reservation of "State Ceiling" in connection with such Application for Reservation (the "Reservation"); and

WHEREAS, the Board may determine to assign all or portion of the Reservation to the Texas Department of Housing and Community Affairs pursuant to Section 394.032(e) of the Act, which provides that "a housing finance corporation may delegate to the Texas Department of Housing and Community Affairs the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments, within and outside the jurisdiction of the housing finance corporation, including its authority to issue bonds for those purposes;"

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROWLETT HOUSING FINANCE CORPORATION THAT:

Section 1–Application for Reservation. The Board hereby authorizes Chapman and Cutler, LLP, as Bond Counsel to the Corporation (“Bond Counsel”), to file on its behalf with the Bond Review Board, not earlier than July 15 of the current year, an Application for Reservation in the maximum amount of \$4,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation. The Board further authorizes the filing of a carryforward designation request with respect to such Reservation. Bond Counsel is further designated as the authorized representative of the Corporation for purposes of the Application for Reservation authorized by this Resolution and is authorized to make such other filings on behalf of the Corporation as may be required by the Allocation Act and the Allocation Rules.

Section 2–Bond Review Board Fees. The Board hereby authorizes payment to the Texas Bond Review Board of the “application fee,” as defined in the Allocation Rules, in the amount of \$500, any “carryforward application fee” and the “closing fee,” each as defined in the Allocation Rules, in the amounts prescribed by the Allocation Rules.

Section 3–Authorization of Certain Actions. The President is hereby severally authorized to execute on behalf of the Corporation the Application for Reservation with respect to qualified mortgage bonds and to take such other actions as may be necessary or convenient to carry out the purposes of this Resolution, including the submission to the Bond Review Board of a request to carry forward the Reservation.

Section 4–Mortgage Credit Certificate Authority. The Corporation reserves the right, upon receipt of a Reservation, to convert all or any part of its authority to issue qualified mortgage bonds to mortgage credit certificates.

Section 5–Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

(EXECUTION PAGE FOLLOWS)

PASSED AND APPROVED this _____ day of _____, 20__.

Jeff Winget
President

ATTEST:

Secretary

RESOLUTION APPROVING DELEGATION OF BOND ISSUANCE
AUTHORITY AND ASSIGNMENT OF PRIVATE ACTIVITY BOND
AUTHORITY TO TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN
ASSIGNMENT AGREEMENT; AND CONTAINING OTHER PROVISIONS
RELATING TO THE SUBJECT

WHEREAS, Rowlett Housing Finance Corporation (the "Corporation") has been duly and properly created and organized under the Texas Housing Finance Corporations Act, as amended, Article 1269I-7, Vernon's Annotated Texas Civil Statutes and now codified as Texas Local Government Code, Chapter 394 (the "Act"); and

WHEREAS, the Act authorizes the Corporation to issue its bonds for the purpose, among others, of obtaining funds to finance home mortgage loans (or participation interests therein) for persons of low and moderate income for homes within the corporate limits of Rowlett, TX; and

WHEREAS, Section 394.032(e) of the Act authorizes the Corporation to delegate to the Texas Department of Housing and Community Affairs (the "Department") the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments, within and outside the jurisdiction of the housing finance corporation, including its authority to issue bonds for those purposes; and

WHEREAS, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act") and the rules promulgated thereunder by the Texas Bond Review Board (the "Bond Review Board"), the Board of Directors of the Corporation (the "Board") has requested and has received or expects to receive a reservation of a portion of the State ceiling (as defined in the Allocation Act) from the State of Texas in the maximum amount of \$4,000,000. (the "Reservation"); and

WHEREAS, Section 1372.044 of the Allocation Act authorizes the Corporation to assign the Reservation to the Department as an issuer that is authorized to issue private activity bonds on behalf of the Corporation; and

WHEREAS, pursuant to the Act and the Allocation Act, the Corporation desires irrevocably to (1) delegate to the Department the authority to issue bonds for the purposes specified above or to exchange \$4,000,000 the Reservation for mortgage credit certificates, and (2) assign the Reservation to the Department (collectively, the "Assignment"); and

WHEREAS, the Corporation now desires to take certain actions with respect to the Assignment; and

WHEREAS, pursuant to the Act and the Allocation Act, the Board desires to approve an Assignment Agreement with the Department in substantially the form attached as Exhibit A (the "Assignment Agreement"); and

WHEREAS, the Board has examined the proposed form of the Assignment Agreement (which is attached to and comprises a part of this Resolution); has found the form and substance of such document to be satisfactory and proper and the recitals contained therein to be true, correct

and complete; and has determined, subject to the conditions set forth in Section 2, to authorize the execution and delivery of the Assignment Agreement and the taking of such other actions as may be necessary or convenient in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROWLETT HOUSING FINANCE CORPORATION THAT:

Section 1. The Corporation hereby approves the terms of the Assignment, and hereby authorizes and directs the Bond Review Board irrevocably to assign and transfer the Reservation to the Department for all purposes under the Allocation Act.

Section 2. The Assignment Agreement, in substantially the form attached hereto as Exhibit A and approved by counsel to the Corporation, is hereby approved and adopted by the Corporation, and the President of the Corporation is hereby severally authorized and empowered to execute and deliver the Assignment Agreement on behalf of the Corporation, with only such changes as may be approved by the Corporation's counsel and the officer executing the same, such approval to be evidenced by such officer's execution thereof.

Section 3. The officers, employees and agents of the Corporation, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Corporation all certificates, financing statements, instruments, agreements and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the Assignment and the terms and provisions of this Resolution, as well as the terms and provisions of the Assignment Agreement, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument, agreement or other paper.

Section 4. Notwithstanding any other provision of this Resolution, the President of the Corporation is hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such officer, and in the opinion of Chapman and Cutler, LLP, Bond Counsel to the Corporation, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by such officer's execution of such documents.

Section 5. This Resolution shall be in full force and effect from and upon its adoption.

(EXECUTION PAGE FOLLOWS)

PASSED AND APPROVED this _____ day of _____, 20__.

Jeff Winget

President

ATTEST:

Secretary

ASSIGNMENT AGREEMENT

This **ASSIGNMENT AGREEMENT** (this “**Agreement**”) is made as of the ____ day of _____, 20__ by and between **ROWLETT HOUSING FINANCE CORPORATION (“HFC”)**, a Texas non-profit housing finance corporation and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (“TDHCA”)**, a public and official agency of the State of Texas.

RECITALS:

A. HFC has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, as amended, Texas Local Government Code, Chapter 394 (the “**Act**”), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford.

B. The Act authorizes HFC to issue bonds for the purpose of obtaining funds to finance home mortgage loans (or participation interests therein) for persons of low and moderate income for homes within the geographic limits of Rowlett, Texas.

C. Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the “**Code**”), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code.

D. Section 146(a) of the Code requires that certain “private activity bonds” (as defined in Section 141(a) of the Code) must come within the issuing authority’s private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes.

E. The private activity bond “State ceiling” (as defined in Section 146(d) of the Code) applicable to the State of Texas (the “**State**”) is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the “**Allocation Act**”).

F. The Allocation Act requires HFC, in order to reserve a portion of the State ceiling for qualified mortgage bonds and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (an “**Application for Reservation**”) with the Texas Bond Review Board (the “**Bond Review Board**”), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds.

G. The Allocation Act and the rules promulgated thereunder by the Bond Review Board (the “**Allocation Rules**”) require that an Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation.

H. By resolution adopted on June 27, 2024, HFC authorized the filing of an Application for Reservation with the Bond Review Board in the maximum amount of \$4,000,000 with respect to qualified mortgage bonds, and the Bond Review Board has issued or is expected to issue a reservation of “State Ceiling” in connection with such Application for Reservation (the “**Reservation**”).

I. HFC has determined to (a) delegate to TDHCA HFC’s authority to issue bonds or mortgage credit certificates (“**MCCs**”) for the purposes specified above, pursuant to Section 394.032(e) of the Act, which provides that “a housing finance corporation may delegate to the Texas Department of Housing and Community Affairs the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of home mortgages or residential developments, within and outside the jurisdiction

of the housing finance corporation, including its authority to issue bonds for those purposes,” and (b) assign the Reservation to TDHCA, pursuant to Section 1372.044 of the Texas Government Code.

J. HFC was created by the City of Rowlett (the “Sponsor”) pursuant to the Act.

K. As the governmental unit that created HFC, the Sponsor has approved the assignment of the Reservation to TDHCA in accordance with Section 1372.044 of the Texas Government Code.

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and conditions contained herein, the parties hereto hereby agree as follows:

1. **Assignment.** HFC hereby assigns, conveys and transfers to TDHCA, to the full extent assignable under applicable law, all of HFC’s right, title and interest in, to and under the Reservation (the “Assignment”), including without limitation, the right to file a carryforward designation request and to elect to use the Reservation to issue MCCs. The Assignment is irrevocable and applies only to the Reservation for the 2024 program year.

2. **Consents.** HFC agrees to obtain and deliver to TDHCA, such consents to the Assignment of the Reservation as may be required.

3. **Expenses.** TDHCA shall be responsible for payment of all fees and expenses incurred from and after the date of this Agreement with respect to the Reservation, including any carryforward application fee and/or closing fees payable to the Bond Review Board.

4. **Agreement.** In exchange for the Assignment, TDHCA agrees to originate in the geographic service area of HFC (a) mortgage loans that are eligible for pooling into mortgage certificates and purchase by the trustee for one or more series of tax-exempt bonds issued by TDHCA (“Pooled Loans”), and/or (b) My First Texas Home Combo Loans with MCCs (“Combo Loans”, and referred to herein together with the Pooled Loans collectively as “HFC Loans”), until an aggregate amount of \$4,000,000 of HFC Loans (accounting for the amount of Pooled Loans originated, pooled and purchased by the trustee, and the combined total mortgage loan principal amount of the Combo Loans) have been originated or issued, respectively. HFC Loans will be originated on a first-in, first-out basis.

5. **Fees.** TDHCA will pay an ongoing fee of 4.75 basis points (collectively, “HFC Fees”) of the aggregate outstanding balance of HFC Loans that have been pooled into mortgage-backed securities or for which an MCC has been issued. HFC Fees will be paid for a period of 10 years for each HFC Loan originated under this Agreement and purchased by the trustee that is not more than 30-days delinquent at the time an HFC Fee is calculated. The outstanding balance of HFC Loans will be reduced monthly to reflect principal repayments and prepayments (including foreclosures of HFC Loans). HFC Fees cease to accrue with respect to any HFC Loan once that HFC Loan has been repaid or prepaid. HFC Fees will be paid annually, in accordance with payment instructions to be provided by HFC.

6. **Reporting.** Once HFC Loans have been pooled into mortgage-backed securities or an MCC has been issued, TDHCA will provide quarterly loan level detail with respect to the outstanding loan balances; no personally identifiable information will be included.

7. **Governing Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of Texas.

8. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision, and all other provisions shall remain in full force and effect.

9. **Entire Agreement; Amendment and Waiver.** This Agreement contains the complete and

entire understanding of the parties with respect to the matters covered herein. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Agreement shall be considered as a general waiver.

10. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which is an original and all of which together constitute one and the same Agreement. Electronically transmitted counterparts shall be deemed originals.

[Execution pages follow]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement to be effective as of the date first set forth above.

ROWLETT HOUSING FINANCE CORPORATION

By: _____
Name: _____
Title: _____

**TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS**

By: _____
Name: _____
Title: _____