



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

**Board of Directors Meeting**  
**Wednesday, May 29th, 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 April 30, 2024, Rowlett Housing Finance Corporation Board meeting.
4. April 2024 financial report.
  - a. Shannon M. Andre', CPA, CFE; Vice President/Austin Managing Shareholder; Brown, Graham & Company, P.C.
5. JPI Merrit Update
6. Update/discussion on Lakeview Pointe Seniors (contracts/agreement)
  - a. Update on required City Council action.
7. Updated letter of engagement from Chapman and Cutler regarding JPI Development.
8. Update from Chapman and Cutler on Vista North Shore entities.
9. 190/Main update
  - a. Kenneth W. Fambro, Chief Operating Officer Integrated Real Estate Group
10. Discussion of single-family homebuyer programs & opportunities.
11. Vision/Mission Statement of the RHFC
12. 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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## **Board of Directors Meeting Minutes**

**Tuesday, April 30, 2024, at 4:00PM**

**5720 Rowlett Rd., Rowlett TX 75089**

**1. Call to order:**

**President Winget called the meeting to order at 4:01PM with a quorum present (Directors Winget, Holston, Dunnican, Kull and Schupp). Also present were Kellie McKee, Bill Fisher with Savannah at Lakeview, and Ryan Bowen with Chapman and Cutler**

**2. Public Input:**

**There was no public input.**

**3. Approval of Minutes**

**Consider and take action to approve the March 28, 2024, minutes of the HFC Board of Directors Meeting. Director Holston moved to approve the March 28, 2024, minutes as submitted. Director Dunnican seconded the motion and it passed unanimously.**

**4. March 2024 Financial Report:**

**Executive Director Urrutia reviewed the financial accounts receivables/ expenditures through March 24, 2024 (attached). He indicated if all goes according to plan, the HFC should get first payment(s) by the first of the year. Director Holston asked about a deposit mentioned at the last Board meeting from One 90 Main. Executive Director Urrutia said that the deposit was directed to the City and he would have to check with City staff for an update. Director Schupp asked about a \$50,000 Payment to the HFC Foundation, and how do we access those funds? Executive Director Urrutia said the Foundation is a separate entity and a separate Board meeting would be required to take**



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**up Foundation matters. Director Schupp then asked if there were restrictions on how that money could be spent. Attorney Bowen said as long as the funds were spent for “generally government purposes” there were no restrictions. President Winget read a statement regarding a one-time \$45,000 payment that HFC Foundation donated to the Garland Habitat organization in 2022 for a project in Rowlett. Director Holston asked about the status of a \$50,000 deposit Mr. Fambro mentioned going to the HFC Foundation. President Winget recommended a Special HFC Foundation Board meeting to go into these matters. Director Dunnican said we need to have someone meet with us on how TRIO, local realtors, and the HFC interface as we get into affordable single-family housing. Director Holston said he wanted more complete financial reporting, especially on income, fund(s) balances, and the HFC Foundation. He then made a motion to approve the March 2024 financial statement. Director Dunnican seconded the Motion, and it passed unanimously.**

#### **5. JPI Merrit Update:**

**President Winget asked Executive Director Urrutia what our next steps should be. Executive Director Urrutia said the project is moving forward, there are no more impediments to their progress. He said no funds from the HFC will be paid. Director Schupp asked if all legal issues have been resolved and Attorney Bowen said yes, and shortly they will be working on finalizing documents with a goal of closing by July 1st. These documents will be forwarded to the HFC Board for approval and anticipate no further delays. President Winget said several concerns brought to his attention have been addressed: there are no land use issues, no approval required by the City, Articles of Incorporation, Section 11.01 E do not apply to this Project (HFC is not spending money on this project), and water availability issues have been addressed. No action was taken on this item.**



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**President Winget called for a short 7-minute recess before moving to Agenda Item 6. The HFC Board meeting returned to regular session at 4:55PM**

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

**Attorney Bowen updated the Board by saying there were changes to the loan documents that he is comfortable with. The concerns the Board articulated at previous meetings have been addressed to his satisfaction. President Winget asked about a proposed extension of the original 2023 loan and wanted to know what the original loan documents say. Executive Director Urrutia said we would have to look at the original loan documents, which we do not have, and Attorney Jensen (with Chapman and Cutler) has said the original loan was approved by the former HFC Board. Director Holston asked if this original loan is in good standing. Bill Fisher with Savannah Seniors said Attorney Jensen was asked to verify that these loans were in good standing, and he assured the Board they are. Attorney Bowen agreed that Attorney Jensen verified the loans are in good standing. President Winget asked, therefore, were the HFC Board Members ready to move forward with a motion on the loan extension. Director Dunnican made a motion to approve the original 2023 loan extension through 2025 in the amount of 3.446 million Dollars. Director Kull seconded the motion and it passed unanimously. President Winget asked if the Board was ready to discuss the second, or new, loan proposed by Savannah Seniors. Director Kull stated that a review of the previous Board minutes and information contained in the Board Packet indicated Savannah has affirmatively addressed the concerns the Board has had about this new loan. President Winget reminded the Board this loan will need to be approved by the City Council. Director Holston asked for an Executive Session prior to discussing Agenda Item 6. President Winget read the Texas Code language authorizing Executive Sessions with Council. The HFC Board recessed into Executive Session with Attorney Bowen for legal counsel on Agenda Item 6 at 5:17PM. The HFC Board returned to regular session at 5:29PM**



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**President Winget said we concluded the Executive Session with no action taken and had questions for Mr. Fisher regarding the Litigation fillings we were made aware of. Mr. Fisher said there is no active arbitration at this time, and when construction is finished the Bank and Investor will have to pay all outstanding obligations. President Winget asked if it was correct to say that the new loan, if approved, would allow this project to be brought to conclusion. Mr. Fisher said yes. President Winget asked for an update on litigation. Mr. Fisher said Oncor is in discovery gathering information from third parties on whether work was done in compliance with plans. Insurance claims are being coordinated among the several companies involved, they have a 40-million-dollar builder's risk policy which will cover the entire fire loss, the several Insurance Companies involved are just being typically slow to pay on Savannah's legitimate claim. Oncor acknowledged in front of many witnesses the subcontractor improperly wired the transformer and failed to install a required safety device. The Insurance Company is supposed to pay the claim and then go after the "wrong doer", but in this case Savannah is suing Oncor to recover damages the Insurance eventually doesn't pay, which has delayed the normal process. This is the first insurance claim the company has made in 22 years, and fully expect the insurance will be forthcoming. President Winget asked Attorney Bowen to verify that no property is listed in the new loan documents as collateral for this new loan. Attorney Bowen said that is correct, no property is listed as collateral. Mr. Fisher also said no property collateral is involved, and he agreed to provide the Board with regular progress updates on this project. Director Schupp asked what happens if, in the worst case, no litigation or insurance funds are paid. Mr. Fisher said equity in the transaction would cover outstanding loans and added that finishing and converting on the loan causes the first proceeds to go to a catch-up PILOT Payment to the City of \$600,000, which is on record as first priority. Mr. Fisher said there are no other contingencies, like additional bonds, that would adversely affect the PILOT payment. There being no further questions or discussion, Director Kull made a motion to approve the new 2024 loan as presented and recommend approval to City Council. Director Dunnican seconded the motion, and it passed unanimously. President Winget said there was a second part to this Agenda Item, approval of an arbitration agreement. Director Schupp made a motion to accept the arbitration agreement as presented in the packet, with fees paid by the**



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**Partnership, for President Winget's signature on behalf of the HFC Board/Partnership. Director Holston seconded the motion and it passed unanimously. 7. 8. 9. Discuss Ryan Bowen (Chapman and Cutler) Contract, including a Letter of Engagement Signed by Both Parties**

**7. Discuss Ryan Bowen (Chapman and Cutler) Contract, including a letter of Engagement Signed by Both Parties:**

**President Winget read the Chapman and Cutler letter of engagement After a short discussion, Director Dunnican made a motion to accept the Letter of Engagement with Ryan Bowen (Chapman and Cutler) as presented in the Board Packet. Director Schupp seconded the motion and it passed unanimously.**

**8. Update From Chapman and Cutler on Vista North Shore:**

**Attorney Bowen described the process they were undertaking. to dissolve the Vista North Shore Entities, which no longer exist, at a cost of \$1,500 to prepare and file the necessary documents. This was an update on an already approved procedure, therefore. No additional action was taken on this Agenda Item.**

**9. Update on 190/Main:**

**President Winget said he felt it was not necessary for Mr. Fambro, Chief Operating Officer with 190/Main, to attend this meeting. He would provide this update. He told the Board that about two weeks earlier, Mr. Fambro called President Winget asking for help. The project was in a position to have tenants move in within days, but City Officials were holding up issuing a Certificate of Occupancy (CO) for, in Mr. Fambro's opinion, an insignificant reason. There was a relatively insignificant road repair that had been delayed by weather but did not adversely affect the forthcoming move-ins. President Winget and City Manager Hall visited the project site, and after inspecting the road repair in question, arranged for the CO to be delivered. This resulted in two buildings being opened and are now occupied. The project is now back to meeting their move-in goals, and President Winget is not aware of any additional issues at this**



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**time. Director Schupp asked if there was an update on a PILOT Payment from this organization. Executive Director Urrutia said he would look into this and report back to the Board. President Winget said he expected the PILOT Payment before the end of the year. There was no action taken on this Agenda Item**

- 10. Items of Community Interest, Topics for Future Agenda(s):  
The next HFC Board Meeting is scheduled for May 29, 2024 at 4PM. Future agendas should include Affordable Single Family Housing Programs. Future Agendas should include an Independent Financial Audit**

**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**  
**APRIL 30, 2024**

		Primary Government Enterprise Fund
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$	199,244
Investments		587,069
Accounts receivable - annual issuer fee		15,625
Prepaid expense		5,505
Total current assets		807,443
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		7,405,326
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable		3,823
Accrued payroll liabilities		2,157
Total liabilities		5,980
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>		
Deferred inflows related to land leases		6,240,109
<b><u>NET POSITION</u></b>		
Net investment in capital assets		342,214
Unrestricted		817,023
Total net position	\$	1,159,237

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**  
**FOUR MONTHS ENDED APRIL 30, 2024**

		Primary Government Enterprise Fund
Operating revenue:		
Annual issuer fees - Savannah at Lakeview	\$	12,500
Agency fees		1,423
Land lease income		21,912
Other income		307
Total operating revenue		36,142
Operating expenses:		
Salary and related benefits		31,713
Professional services (accounting & legal)		25,090
Office expense		9,497
Property and liability insurance		330
Conference and travel expense		644
Total operating expenses		67,274
Net operating loss		(31,132)
Non-operating income (expense):		
Interest income		12,652
Community outreach		(1,390)
Total non-operating income		11,262
Change in net position		(19,870)
Net position:		
Beginning of year		1,179,107
End of year	\$	1,159,237

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**  
**APRIL 30, 2024**

**ASSETS**

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
Current assets:													
Cash and cash equivalents	\$ 25,061	\$ 10,846	\$ 10,846	\$ 10,846	\$ 10,846	\$ 10,845	\$ 10,845	\$ 10,845	\$ 10,845	\$ 87,420	\$ 199,244	\$ -	\$ 199,244
Investments	587,069	-	-	-	-	-	-	-	-	-	587,069	-	587,069
Accounts receivable - annual issuer fee	15,625	-	-	-	-	-	-	-	-	-	15,625	-	15,625
Intercompany receivable	4,642	-	-	-	-	2,770	-	-	-	-	7,412	(7,412)	-
Prepaid expense	5,505	-	-	-	-	-	-	-	-	-	5,505	-	5,505
Total current assets	637,902	10,846	10,846	10,846	10,845	13,615	10,845	10,845	10,845	87,420	814,855	(7,412)	807,443
Capital assets, net of accumulated depreciation	-	-	2,312,612	-	-	-	-	-	4,269,711	-	6,582,323	-	6,582,323
Other assets:													
Deposits	560	-	-	-	-	-	-	-	-	-	560	-	560
Investments in LLCs	80,000	-	-	-	-	15,000	-	-	-	-	95,000	(80,000)	15,000
Total other assets	80,560	-	-	-	-	15,000	-	-	-	-	95,560	(80,000)	15,560
Total assets	718,462	10,846	2,323,458	10,846	10,845	28,615	10,845	10,845	4,280,556	87,420	7,492,738	(87,412)	7,405,326

**LIABILITIES**

Current liabilities:													
Accounts payable	3,823	-	-	-	-	-	-	-	-	-	3,823	-	3,823
Intercompany payable	1,423	865	323	324	323	-	323	323	323	3,185	7,412	(7,412)	-
Accrued payroll liability	2,157	-	-	-	-	-	-	-	-	-	2,157	-	2,157
Total current liabilities	7,403	865	323	324	323	-	323	323	323	3,185	13,392	(7,412)	5,980
Deferred inflow of resources for land leases	-	-	2,164,668	-	-	-	-	-	4,075,441	-	6,240,109	-	6,240,109

**NET POSITION**

Net investment in capital assets	-	-	147,944	-	-	-	-	-	194,270	-	342,214	-	342,214
Unrestricted	711,059	9,981	10,523	10,522	10,522	28,615	10,522	10,522	10,522	84,235	897,023	(80,000)	817,023
Total net position	\$ 711,059	\$ 9,981	\$ 158,467	\$ 10,522	\$ 10,522	\$ 28,615	\$ 10,522	\$ 10,522	\$ 204,792	\$ 84,235	\$ 1,239,237	\$ (80,000)	\$ 1,159,237

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

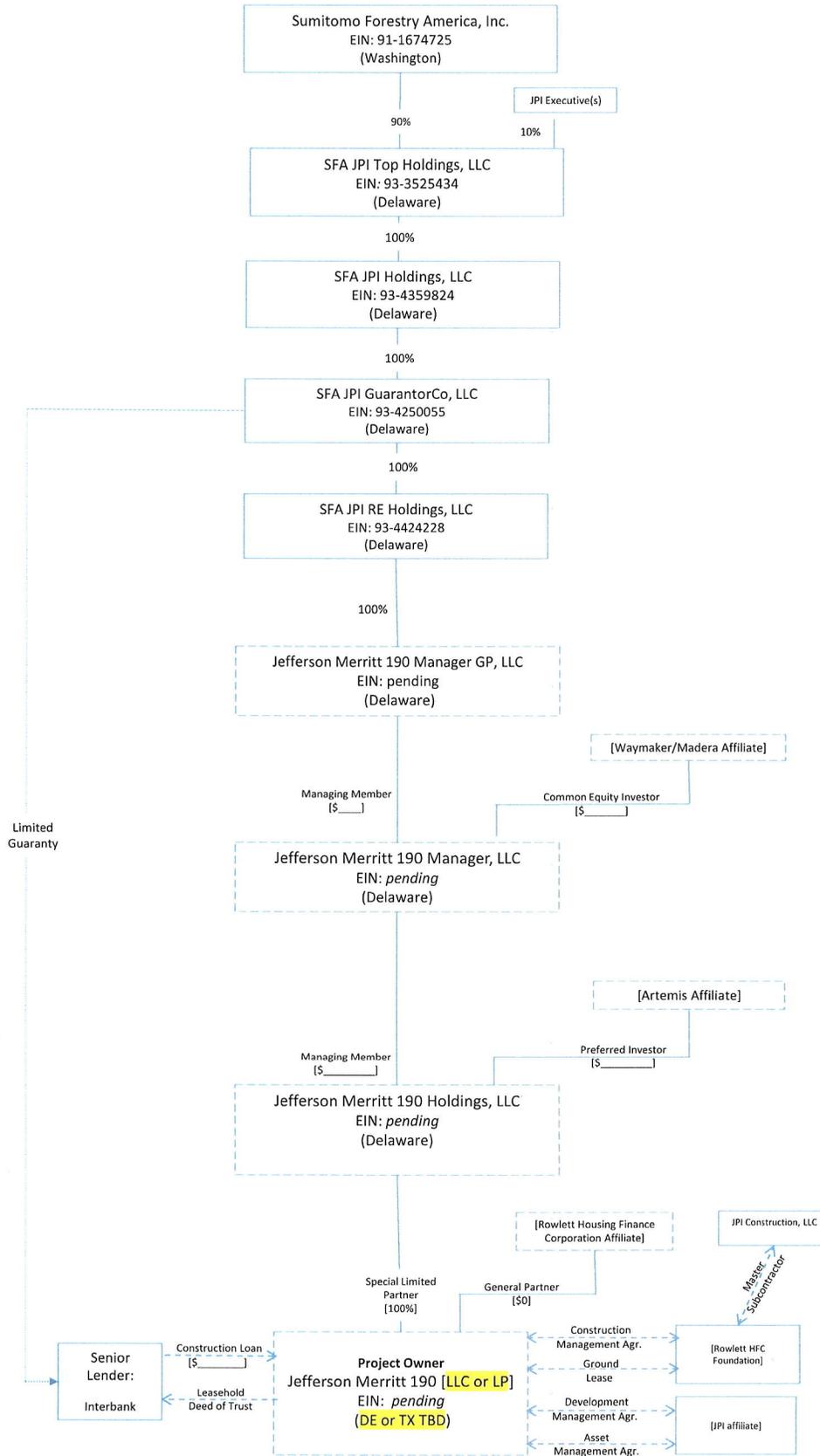
**ROWLETT HOUSING FINANCE CORPORATION**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**FOUR MONTHS ENDED APRIL 30, 2024**

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
Operating revenue:													
Annual issuer fees - Savannah	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ 12,500
Agency fees	-	-	-	-	-	1,423	-	-	-	-	1,423	-	1,423
Land lease income	-	-	7,787	-	-	-	-	-	14,125	-	21,912	-	21,912
Other income	307	-	-	-	-	-	-	-	-	-	307	-	307
Total operating revenue	12,807	-	7,787	-	-	1,423	-	-	14,125	-	36,142	-	36,142
Operating expenses:													
Salary and related benefits	31,713	-	-	-	-	-	-	-	-	-	31,713	-	31,713
Professional services	21,309	-	324	324	324	324	324	324	322	1,515	25,090	-	25,090
Office expense	9,497	-	-	-	-	-	-	-	-	-	9,497	-	9,497
Property and liability insurance	330	-	-	-	-	-	-	-	-	-	330	-	330
Conference and travel expense	644	-	-	-	-	-	-	-	-	-	644	-	644
Total operating expenses	63,493	-	324	324	324	324	324	324	322	1,515	67,274	-	67,274
Net operating income (loss)	(50,686)	-	7,463	(324)	(324)	1,099	(324)	(324)	13,803	(1,515)	(31,132)	-	(31,132)
Non-operating income (expense):													
Interest income	11,172	185	185	185	185	185	185	185	185	-	12,652	-	12,652
Community outreach	(1,390)	-	-	-	-	-	-	-	-	-	(1,390)	-	(1,390)
Total non-operating expense	9,782	185	185	185	185	185	185	185	185	-	11,262	-	11,262
Change in net position	(40,904)	185	7,648	(139)	(139)	1,284	(139)	(139)	13,988	(1,515)	(19,870)	-	(19,870)
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	711,059	9,981	158,467	10,522	10,522	28,615	10,522	10,522	204,792	84,235	1,239,237	(80,000)	1,159,237

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.

**JPI COMPANIES**  
**Draft Structure Chart**  
**for "Jefferson Merritt Park"**  
**Workforce Housing Project**  
**in Rowlett, Texas**

Prepared by JPI legal dpt.  
 Draft 5.20.2024





Rowlett Housing Finance Corporation  
Jefferson Merritt Park - Workforce Housing - 2024



Distribution List 5/20/2024

Party	Contact	Phone Number	Email Address
<b>General Partner</b>			
Rowlett Housing Finance Corporation 4113 Main St. Suite 105 Rowlett, TX 75088	Peter Urrutia Jeff Winget	214-906-3014	purrutia@rowlethfc.org jwinget@rowlethfc.org
<b>General Partner's Financial Advisor</b>			
Hilltop Securities Inc. 2700 Via Fortuna Suite 410 Austin, TX 78746	Timothy Nelson Claire Lastrapes Braxton Parsons Megan Rahmes Lina Linehan Chelsey Tran	512-481-2022 512-481-2044 512-481-2003 512-481-2023 512-481-2091 512-340-1810	tim.nelson@hilltopsecurities.com claire.lastrapes@hilltopsecurities.com braxton.parsons@hilltopsecurities.com megan.rahmes@hilltopsecurities.com lina.linehan@hilltopsecurities.com chelsey.tran@hilltopsecurities.com
<b>General Partner's Counsel</b>			
Chapman and Cutler, LLP 320 South Canal Street, 27th Floor Chicago, IL 60606 Fax: 312-516-3277	Ryan Bowen Rachael Jensen Nora O'Brien Michelle Krofel Luke Ervin	312-845-3277 312-845-3726 415-278-9010 312-845-3855 312-845-3746	rbowen@chapman.com rjensen@chapman.com nobrien@chapman.com krofel@chapman.com lervin@chapman.com
<b>Borrower</b>			
JPI 600 E. Las Colinas Blvd. Suite 1800 Irving, TX 75039	Miller Sylvan Kole Fuller Blake Taylor Chase Addington	972-373-3931 214-451-5905	miller.sylvan@jpi.com Kole.fuller@jpi.com blake.taylor@jpi.com chase.addington@jpi.com
<b>Borrower's Counsel</b>			
Shackelford, Bowen, McKinley & Norton, LLP 9201 N. Central Expressway, Fourth Floor Dallas, TX 75231	John Shackelford Kara Hargrove	214-780-1400 214-780-1391	jshack@shackelford.law khargrove@shackelford.law
<b>Lender</b>			
Interbank	Ken Cummins Shannon Burns		ken.cummins@interbank.com Shannon.burns@interbank.com
<b>Lender's Counsel</b>			
TBD			
<b>Equity</b>			
Artemis	Michael Vu Jamie Smith Anisha Thanki		Michael.vu@artemisrep.com Jamie.smith@artemisrep.com Anisha.thanki@artemisrep.com
<b>Equity Counsel</b>			
TBD			

Title Company

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TBD

Email List:

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purrutia@rowlethfc.org  
jwinget@rowlethfc.org  
tim.nelson@hilltopsecurities.com  
claire.lastrapes@hilltopsecurities.com  
braxton.parsons@hilltopsecurities.com  
megan.rahmes@hilltopsecurities.com  
lina.linehan@hilltopsecurities.com  
chelsey.tran@hilltopsecurities.com  
rbowen@chapman.com  
rjensen@chapman.com  
nobrien@chapman.com  
krofel@chapman.com  
lervin@chapman.com  
miller.sylvan@jpi.com  
Kole.fuller@jpi.com  
blake.taylor@jpi.com  
chase.addington@jpi.com  
jshack@shackelford.law  
khargrove@shackelford.law  
ken.cummins@interbank.com  
Shannon.burns@interbank.com  
Michael.vu@artemisrep.com  
Jamie.smith@artemisrep.com  
Anisha.thanki@artemisrep.com



# Rowlett Housing Finance Corporation

Jefferson Merritt Park Phase 1 - Workforce Housing - 2024



Timeline 5/23/2024

May '24							June '24							July '24							
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	
			1	2	3	4							1			1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				
							30														

<b>GP:</b>	Rowlett Housing Finance Corporation	<b>B/D:</b>	JPI
<b>GPC:</b>	Chapman and Cutler, LLP	<b>B/D C:</b>	Shackelford, Bowen, McKinley & Norton, LLP
<b>FA:</b>	Hilltop Securities Inc.	<b>Title:</b>	
<b>E:</b>	Artemis	<b>EC:</b>	
<b>L:</b>	Interbank	<b>LC:</b>	

Date	Activity
	Bi-Weekly Calls @ 1:30 pm CDT on Mondays
<b>Tuesday, March 12, 2024</b>	<b>MOU Approved</b>
<b>Tuesday, May 21, 2024</b>	<b>JPI to Circulate Org Chart</b>
Thursday, May 23, 2024	Circulate 1st Draft of Partnership Documents
Monday, May 27, 2024	<i>Memorial Day (Markets Closed)</i>
Tuesday, May 28, 2024	Circulate Loan Documents for Review
Friday, May 31, 2024	Comments Due on 1st Draft of Partnership Documents
Tuesday, June 4, 2024	Comments Due on Loan Documents
Thursday, June 6, 2024	Circulate 2nd Draft of Partnership Documents
Tuesday, June 11, 2024	Comments Due on 2nd Draft of Partnership Documents
Wednesday, June 12, 2024	Circulate Final Draft Partnership Documents
<b>Wednesday, June 12, 2024</b>	<b>Documents submitted to Rowlett HFC for Board Meeting</b>
Wednesday, June 12, 2024	<i>Federal Open Market Committee June Meeting</i>
Tuesday, June 18, 2024	Signature Package sent to Rowlett HFC
<b>Wednesday, June 19, 2024</b>	<b>Rowlett HFC Board Meeting to Approve ALL Partnership and Loan Documents (est.)</b>
Wednesday, June 19, 2024	<i>Juneteenth (Markets Closed) (TX AG Skeleton Crew/ Comptroller Open)</i>
Thursday, June 20, 2024	Circulate Final Loan Documents
Thursday, June 20, 2024	Send Invoices to Title
Friday, June 21, 2024	Receipt of Recording Package by Title
Monday, June 24, 2024	Signature Package due to Counsel
Monday, June 24, 2024	Circulate Draft Settlement Statement
Tuesday, June 25, 2024	Circulate Final Settlement Statement
Tuesday, June 25, 2024	Circulate Full Transcript of All Executed Documents to Working Group
Wednesday, June 26, 2024	Pre-Closing
Thursday, June 27, 2024	Closing/ Funding



**City of Rowlett**  
**Official Copy**

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

**Resolution: RES-039-21**

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

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

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

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

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

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

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

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

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

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

**Absent: 1** Mayor Pro Tem Grubisich

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Approved by Tommy Davis - Pasikuan Date March 16, 2021  
Mayor

Approved to form by [Signature] Date March 16, 2021  
City Attorney

Certified by Laura Hallmark Date March 16, 2021  
City Secretary



STATE OF TEXAS        )  
                                  )  
COUNTY OF DALLAS    )

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

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

**RECITALS:**

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

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

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

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

**AGREEMENT**

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

1. Payment in Lieu of Taxes.

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

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

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

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

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

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

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

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

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

5. Termination of Tax Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Signature Pages Follow.*

EXECUTED as of the Effective Date.

**THE CITY OF ROWLETT, TEXAS**

By: *Tammy Dana Bashian*  
Tammy Dana-Bashian, Mayor

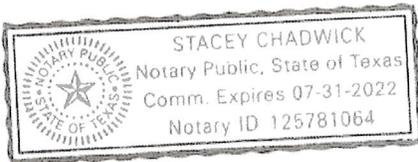
**ATTEST:**

*Laura Hallmark*  
Laura Hallmark, City Secretary

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

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

Given under my hand and seal of office, this 16<sup>th</sup> day of March, 2021.



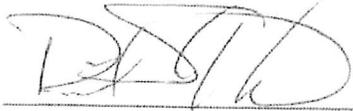
*Stacey Chadwick*  
Notary Public, State of Texas

My commission expires: 07-31-22

*Signature Pages Continue.*

**ENCLAVE ROWLETT, LP,**  
a Texas limited partnership

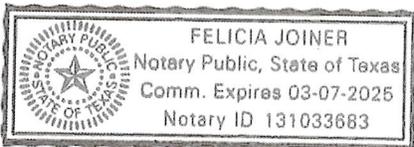
By: Enclave Rowlett GP, LLC,  
a Texas limited liability company,  
its General Partner

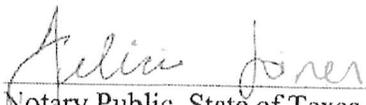
By:   
Rick Sheffield, President

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

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

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



  
Notary Public, State of Texas

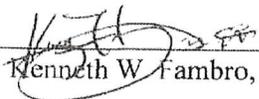
My commission expires: 03 07 2025

*Signature Pages Continue.*

**JOINDER**

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

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

By:  \_\_\_\_\_  
Kenneth W Fambro, II, Vice President

**Exhibit A**

**Land**

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

Exhibit A

*PILOT Agreement  
(Enclave Rowlett, LP)*

**Exhibit B**

**Centennial Road**

Attached.

Exhibit B

*PILOT Agreement  
(Enclave Rowlett, LP)*



TBPE Firm Registration No. F-10834 Date: 10-28-2020 By: ITR  
 3 Sugar Creek Center Boulevard, Suite 610, Sugar Land, Texas 77478, Phone (281) 980-7705

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

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

**BURGESS & NIPLE**  
Engineers ■ Planners

TBPE Firm Registration No. F-10834 Date: 10-28-2020 By: JTR  
3 Sugar Creek Center Boulevard, Suite 610, Sugar Land, Texas 77478, Phone (281) 980-7705

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

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**Notes:**

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