

STRATEGIC HOUSING
FINANCE CORPORATION

of TRAVIS COUNTY

SHFC Action Item 6C
August 2, 2018

Resolution No. SHFC-2018-10: To Authorize the debt financing, equity financing, property acquisition, service related agreements and other matters necessary or convenient for Strategic Housing Finance Corporation of Travis County to participate in the development and operation of Commons at Manor Village Apartments transaction; and the execution and delivery of documents and instruments necessary to carry out the contemplated transaction, and to take other actions related to the subject.

1. Land Acquisition and Ground Lease.

WHEREAS, Patrick Howard is the Executive Vice President and Secretary of SHFC, and Robert Onion is the Director of Asset Development of Strategic Housing Finance Corporation of Travis County ("SHFC") (collectively, the "Authorized Signatories" and each, an "Authorized Signatory");

WHEREAS, SHFC is the sole member of LDG Commons at Manor Village GP, LLC, a Texas limited liability company (the "General Partner"), which is the sole general partner of LDG Commons at Manor Village, LP, a Texas limited partnership (the "Partnership");

WHEREAS, the Partnership is intending to develop a multi-family housing property, to be known as "Commons at Manor Village Apartments" (the "Apartment Complex") on certain real property located in Manor, Texas (the "Real Property");

WHEREAS, the Board has approved the terms of a Memorandum of Understanding (the "MOU") between SHFC and LDG Development, LLC ("LDG") with respect to the development of the Apartment Complex;

WHEREAS, the MOU contemplates that SHFC will create a wholly-owned affiliate known as SHFC Manor Land LLC (the "Landlord") to own the Real Property and enter into a long-term ground lease (the "Ground Lease") with the Partnership; and

WHEREAS, in connection with the acquisition of the Real Property, the Landlord will be required to enter into various documents to evidence such acquisition (collectively, the "Acquisition Documents"); and

RESOLVED, that (a) the formation of the Landlord is hereby ratified and approved; (b) the Landlord is authorized to acquire the Real Property, to lease such Real Property to the Partnership, and to execute and deliver the Acquisition Documents and the Ground Lease; (c) SHFC, acting on behalf of the Landlord, is hereby authorized to execute and deliver the Acquisition Documents, the Ground Lease, and such other documents in connection therewith as may be necessary or desirable and do all things necessary or desirable to facilitate the acquisition of the Real Property and the lease thereof to the Partnership; and (d) any Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, acting on behalf of the Landlord, is hereby severally authorized to



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(i) execute and deliver the Acquisition Documents and the Ground Lease, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable, and (ii) do all things necessary or desirable to facilitate the acquisition of the Real Property and the lease thereof to the Partnership.

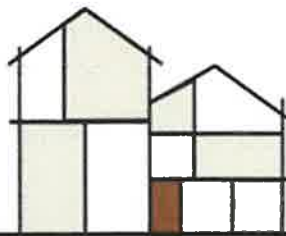
FURTHER RESOLVED, that (a) the Partnership is authorized to obtain a leasehold interest in the Real Property and to execute and deliver the Ground Lease; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease and such other documents in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Ground Lease and such other documents in connection therewith as may be necessary or desirable and to do all things necessary or desirable to facilitate the acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby severally authorized to (i) execute and deliver the Ground Lease, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to facilitate the Partnerships' acquisition of a leasehold interest in the Real Property and the construction, development and operation of the Apartment Complex thereon.

2. Debt Financing.

WHEREAS, SHFC is issuing Multifamily Notes (herein so called) payable to Citibank, N.A. (the "Funding Lender") in the approximate principal amount not to exceed \$20,000,000 to evidence a loan from the Funding Lender to SHFC in the same amount (the "Funding Loan" and all other documents evidencing or governing the Funding Loan, including the Multifamily Note, being referred to herein as the "Funding Loan Documents");

WHEREAS, the proceeds of the Funding Loan are being used by SHFC to provide a loan to the Partnership in the amount of up to \$20,000,000 (the "Project Loan") for the purpose of financing the construction and development of the Apartment Complex;

WHEREAS, SHFC will collaterally assign the Project Loan to BOFK, NA as Fiscal Agent (herein so called) as security for SHFC's obligations under the Funding Loan;



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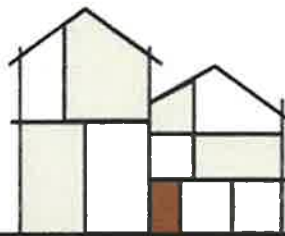
of TRAVIS COUNTY

WHEREAS, in conjunction with the Project Loan and/or the Funding Loan and its collateral assignment, the Partnership, the General Partner, and/or SHFC will execute and/or accept delivery of certain documents, including but not limited to Multifamily Notes, a Borrower Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (or other deed of trust document), and various other documents and instruments required by the Funding Lender (collectively, the "Project Loan Documents");

WHEREAS, the Partnership may also obtaining additional loans (referred to herein as the "Additional Loan") for the purpose of providing additional financing for the construction and development of the Apartment Complex;

WHEREAS, in conjunction with any additional financing, the Partnership, the General Partner, and/or SHFC will execute certain documents, which may include but not be limited to a Promissory Note, a Loan Agreement, Deed of Trust, an Assignment of Leases and Rents, a Security Agreement and other documents and instruments that may be required in connection with such additional financing (collectively, the "Additional Loan Documents");

RESOLVED, that (a) SHFC is authorized to (i) obtain the Funding Loan, (ii) use the proceeds thereof to make the Project Loan to the Partnership, (iii) collaterally assign the Project Loan to the Fiscal Agent as security for the Funding Loan, (iv) execute and deliver the Funding Loan Documents and all other documents related thereto, and (v) do all things necessary or desirable to effect the foregoing; (b) the Partnership is authorized to (i) obtain the Project Loan and any additional loan, (ii) execute and deliver the Project Loan Documents, the Additional Loan Documents, and all other documents related thereto; (c) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Project Loan Documents, the Additional Loan Documents, and all other documents related thereto and do all things necessary to facilitate the Project Loan, the Additional Loan; (d) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Project Loan Documents, the Additional Loan Documents, and all other documents related thereto and do all things necessary to facilitate the Project Loan and any Additional Loan; and (e) any Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, as applicable, is severally authorized to (i) execute and deliver the Project Loan Documents and the Additional Loan Documents, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable, and (ii) do all things necessary or desirable for the Partnership to obtain the Project Loan and any Additional Loan.



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3. Equity Financing.

WHEREAS, _____ (the "Equity Provider") has agreed to provide equity financing to the Partnership for the development of the Apartment Complex (the "Equity Financing");

WHEREAS, in connection with the Equity Financing, the General Partner will enter into an Amended and Restated Agreement of Limited Partnership for the Partnership (the "Partnership Agreement") with the Equity Provider and _____, a Delaware limited liability company, as limited partners; and

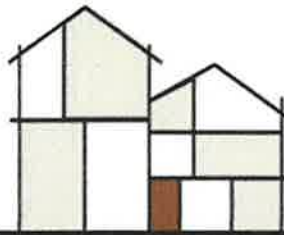
WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or SHFC to enter into certain documents associated with the Equity Financing (collectively, with the Partnership Agreement, the "Equity Documents");

RESOLVED, that (a) the Partnership is authorized to obtain the Equity Financing from the Equity Provider and to execute and deliver the Equity Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents and do all things necessary to facilitate the Equity Financing; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to execute and deliver the Equity Documents and do all things necessary to facilitate the Equity Financing, including serving as a co-developer for the development of the Apartment Complex; and (d) any Authorized Signatory (or any other duly authorized officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby severally authorized to (i) execute and deliver the Equity Documents, with such changes as such signatory, in his or her discretion, believes to be necessary or desirable (such necessity or desirability being evidenced by the execution of such documents), and such other documents and instruments in connection therewith as may be necessary or desirable and (ii) do all things necessary or desirable to cause the Partnership to obtain the Equity Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

4. Service as General Contractor

WHEREAS, to further the economic efficiencies for the development of the Apartment Complex, SHFC intends to pursue a sales tax exemption for materials used in the construction of the Apartment Complex by acting (either directly or through a wholly-owned limited liability company) as the general contractor for the Apartment Complex and sub-contracting the construction work to _____ (the "Contracting Work");

WHEREAS, in furtherance of the Contracting Work, SHFC (or its wholly-owned affiliate), as the general contractor, will enter into a construction contract with the Partnership and may enter into other documents related thereto (collectively, the "Construction Agreements"); and



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WHEREAS, in connection with one or more portions of the above-described financing, SHFC (or its wholly-owned affiliate) may be required to execute certain documents in its capacity as general contractor (collectively with the Construction Agreements, the "Contractor Documents");

RESOLVED, that SHFC's service as the general contractor (directly or through its wholly-owned affiliate) for the construction of the Apartment Complex is hereby ratified and approved.

FURTHER RESOLVED, that any Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, is hereby severally authorized to execute and deliver (or to cause its wholly-owned affiliate to execute and deliver) the Contractor Documents and any other documents related thereto and cause SHFC (or its wholly-owned affiliate) to take any and all action deemed necessary or advisable in connection with facilitating the Contracting Work and performing the obligations in connection therewith.

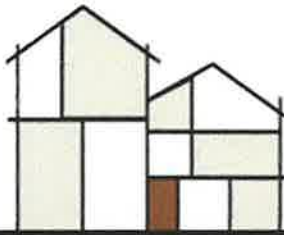
5. Authorization/Ratification.

RESOLVED, that any Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, acting its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of SHFC, the General Partner, and/or the Partnership, as applicable, as such person shall deem to be necessary, desirable, or appropriate (such necessity, desirability, or appropriateness being evidenced by the execution of such documents) in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by an Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, prior to the date this consent is actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

FURTHER RESOLVED, that an Authorized Signatory (or any other officer of SHFC), each acting on behalf of SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is severally authorized to approve modifications to the documents contemplated herein, including approval of increases to any of the loan amounts stated above, as such person deems to be necessary or appropriate in order to facilitate the transactions described herein, such approval to be evidenced by the Authorized Signatory's execution of the documents.

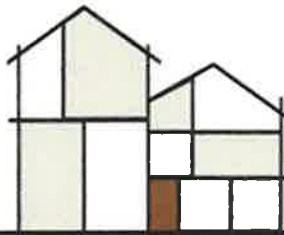
FURTHER RESOLVED, that the Secretary of the Corporation is authorized to certify and attest to the adoption and approval of the foregoing resolutions by the Board of Directors.



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[Certification page follows.]



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CERTIFICATION

The undersigned hereby certifies that the foregoing resolutions were duly adopted and approved by the Board of Directors of Strategic Housing Finance Corporation of Travis County in a meeting of the Board on August 2, 2018.

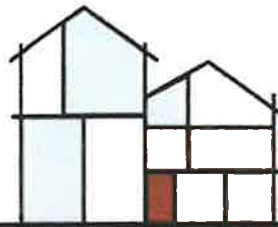
Patrick Howard, Secretary/Executive Vice President
of Strategic Housing Finance Corporation of Travis
County

Patrick Howard

Signature

8/2/18

Date



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**SHFC Action Item 6A - 6C
August 2, 2018**

Resolution No. SHFC-2018-08: To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and LDG Development, LLC ("Developer") for the development of Commons at Manor Village Apartments

Resolution No. SHFC-2018-09: To Authorize the issuance, sale and delivery of one or more series of Taxable or tax-exempt multifamily housing revenue obligations for Commons at Manor Village Apartments Series 2018

- A. Authorize the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily residential rental development, and other related provisions as necessary to complete the transaction; and
- B. Approve the form and substance thereof

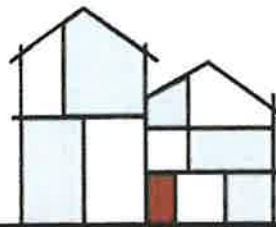
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Background Information: On June 30, 2017, the Strategic Housing Finance Corporation Board of Directors approved Resolution No. SHFC-2017-16, which authorized the Agreement to Issue Multifamily Housing Revenue Bonds Series 2017 for the Common at Manor Village Apartments, located at or near US. Highway 290 and Loop 212, Manor, Travis County, Texas 78653. There has been several delays to the development permitting process primarily due to which municipality would provide water to the site. We are now ready to close the transaction, receive building permits, and start construction.

Recommended Action:

Consider the appropriate action regarding **Resolution No. SHFC-2018-08:** To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and LDG Development, LLC ("Developer") for the development of Commons at Manor Village Apartments

Consider the appropriate action regarding **Resolution No. SHFC-2018-09:** To Authorize the issuance, sale and delivery of one or more series of taxable or tax-exempt multifamily housing revenue obligations for Commons at Manor Village Apartments Series 2018



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Alternate Option:

The Board of Directors could elect to Not Approve the following Resolutions:

- **Resolution No. SHFC-2018-08**
- **Resolution No. SHFC-2018-09**
- **Resolution No. SHFC-2018-10**

Fiscal Impact:

This transaction will greatly enhance the financial position of SHFC through the collection of Bond issuance fees, Construction Administration fees, Developer's fees, and cash flow of the property upon stabilization.

Attachments:

- Resolution No. SHFC-2018-08
- Resolution No. SHFC-2018-09
- Resolution No. SHFC-2018-10

Prepared by:

Robert Onion, Director of Real Estate Development

Approval:


Patrick B. Howard, Executive Vice President