

STRATEGIC HOUSING
FINANCE CORPORATION

of TRAVIS COUNTY

**SHFC Action Item V.C
November 21, 2019**

Resolution No. SHFC-2019-24: 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 and/or affiliated entities to participate in the development and operation of **(Austin Manor 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.

Section 1 Resolutions of Strategic Housing Finance Corporation

WHEREAS, Strategic Housing Finance Corporation of Travis County (“SHFC”) will be the sole member of TX Austin Manor GP, LLC, a Texas limited liability company (the “General Partner”), which is the sole general partner of TX Austin Manor, LP, a Texas limited partnership (the “Partnership”); and

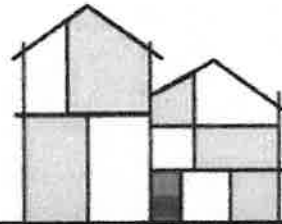
WHEREAS, Patrick Howard is the Secretary/Executive Vice President of SHFC (the “EVP”) and Robert Onion is the Director of Real Estate Development of SHFC (the “Director of Real Estate Development”); and

1. Property Acquisition and Ground Lease.

WHEREAS, SHFC is the sole member of SHFC Austin Manor Land LLC, a Texas limited liability company (the “Landowner”); and

WHEREAS, SHFC by and through the Landowner will acquire certain real property located in Travis County, Texas (the “Real Property”) that it will ground lease to the Partnership pursuant to the Ground Lease (the “Ground Lease”) on which a multifamily residential project is to be constructed, developed and operated, to be known as “Austin Manor Apartments” (the “Apartment Complex”); and

WHEREAS, in connection with the acquisition of the Real Property, the Landowner and/or SHFC will be required to enter into various documents to evidence such acquisition (collectively, the “Acquisition Documents”).



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RESOLVED, that the prior actions of the EVP and Director of Real Estate Development (or any officer of SHFC), acting on behalf of SHFC, acting on behalf of the Landowner, with respect to the acquisition of the Real Property, are hereby ratified and approved; and

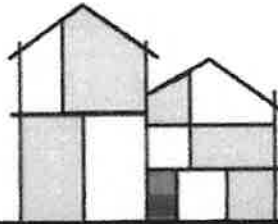
RESOLVED, that (a) the Landowner is authorized to acquire the Real Property and the Partnership is authorized to acquire and develop the Apartment Complex; (b) the Landowner and the Partnership are each authorized to execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Landowner's acquisition of the Real Property and the Partnership's development of the Apartment Complex, including the Promissory Note made by Landowner and payable to the Partnership (the "Land Note") secured by the Deed of Trust by Landowner, as grantee, for the benefit of the Partnership (the "Land DOT"); and (c) the EVP or Director of Real Estate Development of SHFC (or in the absence of both of them, any other authorized officer of the SHFC) is individually authorized, each acting on behalf of SHFC, acting on its own behalf or on behalf of the Landowner, 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, to (i) execute and deliver the Ground Lease, the Land Note, the Land DOT, 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 Landowner to acquire the Real Property and for the Partnership to develop the Apartment Complex and for the Landowner and the Partnership to each execute and deliver the Ground Lease, Land Note, Land DOT, and any other documents deemed necessary or desirable in order to facilitate the foregoing.

2. Equity Financing.

WHEREAS, 42 Equity Partners or a fund or subsidiary thereof (the "Equity Provider") has agreed to provide equity financing to the Partnership for the development of the Apartment Complex (the "Equity Financing"); and

WHEREAS, in connection with the Equity Financing, the General Partner will enter into an Amended and Restated Limited Partnership Agreement for the Partnership (the "Partnership Agreement"); 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").



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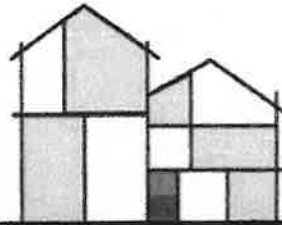
RESOLVED, that (a) the Partnership is authorized to obtain the Equity Financing from the Equity Provider and to execute and deliver the Equity Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is authorized to execute and deliver the Equity Documents; (c) SHFC, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Equity Documents and do all things necessary to facilitate the Equity Financing; and (d) the EVP, the Director of Real Estate Development or any other officer of SHFC, 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, are each hereby individually authorized to (i) execute and deliver the Equity 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.

3. Note Financing.

WHEREAS, SHFC has agreed to issue its Multifamily Housing Governmental Notes (Austin Manor Apartments) Series 2019 in the aggregate principal amount of up to \$35,000,000 (the "Notes") payable to the order of International Bank of Commerce, a Texas state banking corporation; and

WHEREAS, the proceeds from the sale of the Notes will be loaned by SHFC to the Partnership to finance a portion of the development of the Apartment Complex (the "Note Financing") pursuant to a Project Note or Notes made by the Partnership to SHFC (collectively, the "Project Note") and the Project Loan Agreement between SHFC, the Partnership, and Wilmington Trust, National Association, as fiscal agent (the "Project Loan Agreement"); and

WHEREAS, in connection with the Note Financing and the execution of the Project Note and the Project Loan Agreement, the Partnership and/or the General Partner and/or SHFC will be required to enter into certain other documents, including but not limited to a Regulatory and Land Use Restriction Agreement and a Leasehold Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, with Joinder of Fee Owner, and other documents evidencing, governing and/or securing the Partnership's obligations under the Project Note and the Project Loan Agreement (collectively with the Project Loan Agreement and the Project Note, the "Financing Documents").



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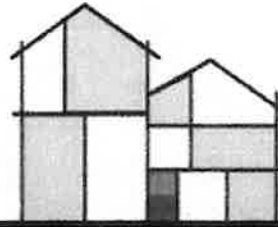
of TRAVIS COUNTY

RESOLVED, that (a) the Partnership is authorized to borrow the proceeds of the Notes from SHFC and to execute and deliver the Financing Documents; (b) the General Partner, acting on its own behalf or on behalf of the Partnership, is authorized to execute and deliver the Financing Documents and do all things necessary to facilitate the Note 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 hereby authorized to execute and deliver the Financing Documents and do all things necessary to facilitate the Note Financing; and (d) the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), 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 individually authorized to (i) execute and deliver the Financing 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 Note Financing and perform the Partnership's and/or the General Partner's and/or SHFC's obligations thereunder.

4. MOU and Co-Development Agreement.

WHEREAS, in connection with the Note Financing, Equity Financing and the financing, ownership, development, and operation of the Apartment Complex, SHFC will enter into a Memorandum of Understanding with ICON Builders/Kelly Sands or their designated affiliate and for the Apartment Complex (the "MOU") and a Co-Development Agreement with _____ (the "Co-Development Agreement").

RESOLVED, that (a) SHFC is authorized to execute and deliver the MOU and Co-Development Agreement and do all things necessary to facilitate and carry out the transactions and obligations contemplated in the MOU and Co-Development Agreement; and (b) the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), acting on behalf of SHFC, is hereby individually authorized to (i) execute and deliver the MOU and Co-Development Agreement 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 SHFC to perform its obligations thereunder; and



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5. Service-Related Agreements.

RESOLVED, that (a) SHFC is authorized to enter into any service-related agreements and to execute and deliver such agreements; and (b) the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), acting on behalf of SHFC, is hereby individually authorized to (i) cause SHFC to execute and deliver such service-related agreements 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 SHFC to perform its obligations thereunder.

6. Authorization/Ratification.

RESOLVED, that the EVP (or in his absence or unavailability, the Director of Real Estate Development or any officer of SHFC), acting on behalf of SHFC, acting on behalf of the General Partner, acting on behalf of the Partnership, is individually authorized to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of SHFC, the General Partner, and the Partnership as such person shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by the EVP (or in his absence or unavailability, the Director of Real Estate Development or any officer of SHFC), acting on behalf of SHFC, acting on behalf of the General Partner, acting on behalf of the Partnership, prior to the date these resolutions are actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

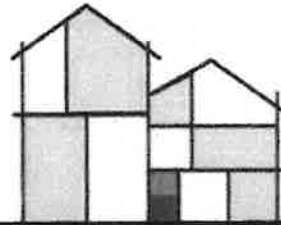
Section 2 – Resolutions of the General Partner

WHEREAS, SHFC will be the sole member of the Company which is the sole general partner of the Partnership; and

WHEREAS, Patrick Howard is the EVP and Robert Onion is the Director of Real Estate Development of SHFC; and

1. Property Acquisition and Ground Lease.

WHEREAS, SHFC is the sole member of the Landowner;



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WHEREAS, the Landowner is acquiring the Real Property that it will lease to the Partnership pursuant to the Ground Lease in order for the Partnership to construct, develop, own, and operate the Apartment Complex thereon.

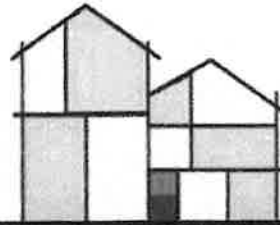
RESOLVED, that (a) the Partnership is authorized to enter into the Ground Lease with the Landowner; (b) the Company, individually and as the general partner of the Partnership, is authorized to execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Partnership's execution and performance of its obligations under the Ground Lease; and (c) the EVP or Director of Real Estate Development of SHFC (or any other authorized officer of SHFC) is individually authorized, each acting on behalf of SHFC, acting on behalf of the Company, acting on its own behalf or on behalf of the Partnership, as applicable, to (i) execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Partnership's execution and performance of the Partnership's obligations under the Ground Lease and (ii) do all things necessary or desirable for the Partnership to execute and perform its obligations under the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the foregoing.

2. Debt Financing.

WHEREAS, in order to finance the construction and development of the Apartment Complex, the Partnership is obtaining the Project Loan; and

WHEREAS, in conjunction with the Project Loan, the Partnership and/or the Company will execute and/or accept delivery of certain documents, including but not limited to a Project Note, Project Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, and a Leasehold Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, with Joinder of Fee Owner (collectively, the "Project Loan Documents").

RESOLVED, that (a) the Partnership is authorized to (i) obtain the Project Loan and (ii) execute and deliver the Project Loan Documents; (b) the Company, individually and as the general partner of the Partnership, is authorized to execute and deliver the Project Loan Documents; and (c) the EVP or Director of Real Estate Development (or any other officer of SHFC) is individually authorized, each acting on behalf of SHFC, acting on behalf of the Company, acting on its own behalf or on behalf of the Partnership, as applicable, to (i) execute and deliver the Project Loan 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.



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FURTHER RESOLVED, that the actions of the EVP or Director of Real Estate Development (or any other officer of the Member), each acting on behalf of SHFC, acting on behalf of the Company, acting on its own behalf or as the general partner of the Partnership, pursuant to these resolutions shall be binding on the Partnership and the Company, as applicable, when any such document is executed by such person, without the necessity of any attest of such signature by any other person and without the placement of a corporate seal upon any such document.

3. Equity Financing.

WHEREAS, the Equity Provider has agreed to provide the Equity Financing; and

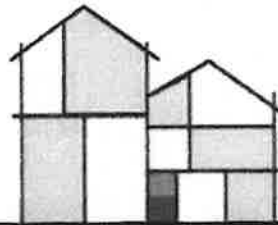
WHEREAS, in connection with the Equity Financing, the General Partner will enter into the Partnership Agreement; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or SHFC to enter into the Equity Documents.

RESOLVED, that (a) the Partnership is authorized to execute and deliver the Equity Documents; (b) the Company, individually and as the general partner of the Partnership, is authorized to execute and deliver the Equity Documents; and (c) the EVP or Director of Real Estate Development (or any other officer of the Member), is individually authorized, each acting on behalf of SHFC, acting on behalf of the Company, acting on its own behalf or on behalf of the Partnership, as applicable, (i) execute and deliver the Equity 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 Equity Financing.

4. Authorization/Ratification.

RESOLVED, that the EVP or Director of Real Estate Development (or any other officer of SHFC), is individually authorized, each acting on behalf of SHFC, acting on behalf of the Company, to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of the Company, acting on its own behalf or on behalf of the Partnership, as such individual shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.



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FURTHER RESOLVED, that any and all action taken by the President, EVP, or Director of Real Estate Development of SHFC (or in the absence of both of them, any other authorized officer of SHFC), each acting on behalf of SHFC, acting on behalf of the Company, 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.

Section 3- Resolutions of the Partnership

WHEREAS, the General Partner is the sole general partner of the Partnership; and

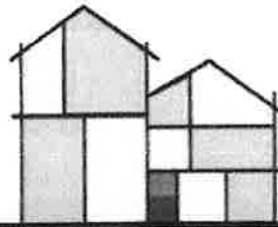
WHEREAS, SHFC will be the sole member of the General Partner; and

WHEREAS, Patrick Howard is the EVP and Robert Onion is the Director of Real Estate Development of SHFC; and

1. Property Acquisition and Ground Lease.

WHEREAS, the Landowner, a wholly-owned affiliate of SHFC, is acquiring the Real Property that it will lease to the Partnership pursuant to the Ground Lease in order for the Partnership to construct, develop, own, and operate thereon the Apartment Complex.

RESOLVED, that (a) the Partnership is authorized to enter into the Ground Lease with the Landowner; (b) the General Partner, individually and as the general partner of the Partnership, is authorized to execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Partnership's execution and performance of its obligations under the Ground Lease; and (c) the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC) is individually authorized, each acting on behalf of the SHFC, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, as applicable, to (i) execute and deliver the Ground Lease and any other documents deemed necessary or desirable in order to facilitate the Partnership's execution and performance of its obligations under the Ground Lease, and (ii) do all things necessary or desirable for the Partnership to execute and perform its obligations under the Ground Lease.



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2. Debt Financing.

WHEREAS, in order to finance the construction and development of the Apartment Complex, the Partnership is obtaining the Project Loan; and

WHEREAS, in conjunction with the Project Loan, the Partnership and/or the General Partner will execute and/or accept delivery of the Project Loan Documents.

RESOLVED, that (a) the Partnership is authorized to (i) obtain the Project Loan and (ii) execute and deliver the Project Loan Documents; (b) the General Partner, individually and as the general partner of the Partnership, is authorized to execute and deliver the Project Loan Documents; and (c) the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC) is individually authorized, each acting on behalf of SHFC, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, as applicable, to (i) execute and deliver the Project Loan 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.

FURTHER RESOLVED, that the actions of the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), each acting on behalf of SHFC, acting on behalf of the General Partner, acting as the general partner of the Partnership, pursuant to these resolutions shall be binding on the Partnership when any such document is executed by such person, without the necessity of any attest of such signature by any other person and without the placement of a corporate seal upon any such document.

3. Equity Financing.

WHEREAS, the Equity Provider has agreed to provide the Equity Financing; and

WHEREAS, in connection with the Equity Financing, the General Partner will enter into the Partnership Agreement; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner and/or SHFC to enter into the Equity Documents.



RESOLVED, that (a) the Partnership is authorized to execute and deliver the Equity Documents; (b) the General Partner, individually and as the general partner of the Partnership, is authorized to execute and deliver the Equity Documents; and (c) the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), is individually authorized, each acting on behalf of SHFC, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, as applicable, to (i) execute and deliver the Equity 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 Equity Financing; and

4. Authorization/Ratification.

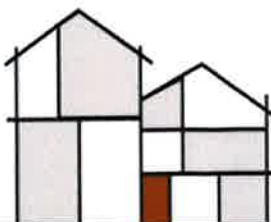
RESOLVED, that the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), is individually authorized, each acting on behalf of SHFC, acting on behalf of the General Partner, to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of the General Partner, acting on behalf of the Partnership, as such individual shall deem to be necessary, desirable, or appropriate in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by the EVP (or in his absence, the Director of Real Estate Development or any officer of SHFC), each acting on behalf of SHFC, acting on behalf of the General Partner, acting 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.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SHFC hereby:

1. Approves Resolution SHFC-2019-24; and
2. Authorizes the Executive Vice President, the Director of Real Estate Development or any other officer of SHFC to execute all relevant documents, instruments, agreements, policies, and procedures and to take all actions on behalf of SHFC, the General Partner, the Partnership, and the Landowner contemplated by the foregoing resolutions or necessary to effectuate their purpose.

[Signature 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 at a duly called and noticed meeting of the Board on November 21, 2019.

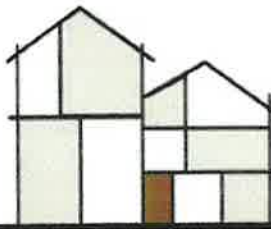
Patrick B. Howard, Secretary of Strategic
Housing Finance Corporation of Travis County

Patrick Howard

Signature

11/21/2019

Date



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SHFC Action Items V.A, V.B, and V.C
November 21, 2019

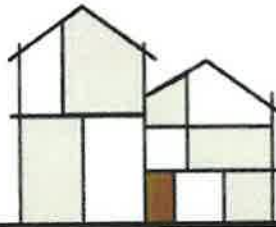
Resolution No. SHFC-2019-22: To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and ICON Builders/Kelly Sands or their designated affiliate for the development of Austin Manor Apartments.

Resolution No. SHFC-2019-23: To Authorize the issuance, sale, and delivery of one or more series of taxable or tax-exempt Governmental Note (Austin Manor Apartments) Series 2019; Approve the form and substance of; and 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.

Resolution No. SHFC-2019-24: 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 (Austin Manor 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.

Background Information: On June 21, 2018, the Strategic Housing Finance Corporation Board approved Resolution No SHFC-2018-07. To Approve the prescription of the form and substance of an Agreement to Issue Bonds for Multifamily Housing Revenue Bonds (Boyce Parmer Apartments Phase II) Series 2018. Due to the delays associated with site plan and building plan approval with the City of Austin, Bond Counsel suggested the Board approve and re-issue a resolution to induce the bonds which was approved at the September 24th meeting (Resolution No. SHFC-2019-14). Staff is now requesting the Board to approve Resolution SHFC-2019-22 which will approve the MOU, SHFC-2019-23 and SHFC-2019-24 will authorize the issuance, sale and delivery of one or more series of taxable or tax-exempt multifamily housing revenue obligations and authorize the debt financing, equity financing, property acquisition and other matters necessary to participate in the development of operations of Austin Manor Apartments. It is anticipated that this transaction Austin Manor Apartments will close in December of 2019.

Recommended Action: Consider and take appropriate action regarding **Resolution No. SHFC-2019-22:** To Approve a Memorandum of Understanding (MOU) between Strategic Housing Finance Corporation of Travis County and ICON Builders/Kelly Sands or their designated affiliate for the development of Austin Manor Apartments.



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Consider and take appropriate action regarding **Resolution No. SHFC-2019-23**: To Authorize the issuance, sale, and delivery of one or more series of taxable or tax-exempt Governmental Note (Austin Manor Apartments) Series 2019; Approve the form and substance of; and 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.

Consider and take appropriate action regarding **Resolution No. SHFC-2019-24**: 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 (Austin Manor 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.

Alternate Option:

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

- Resolution No. SHFC-2019-22
- Resolution No. SHFC-2019-23
- Resolution No. SHFC-2019-24

Fiscal Impact:

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

Attachment:

- A. Memorandum of Understanding

Prepared by:

Robert Onion – Director of Real Estate Development

Approval:

Patrick B. Howard

Patrick B. Howard, *Executive Vice President*