BOARD OF HOUSING COMMISSIONERS
RESOLUTION NO. 2021-16

AUTHORIZING THE CLOSING AND EXECUTION OF DOCUMENTS FOR THE REDEVELOPMENT OF BROADWAY MCKNIGHT

WHEREAS, by Resolution Nos. 2020-04, 2020-26, 2020-28, and 2021-09 the Board of Housing Commissioners (the "*Board*") of the Albuquerque Housing Authority ("*AHA*") among other things, authorized the Executive Director to seek and obtaining financing and enter into such agreements and make other necessary and proper decisions in furtherance of the redevelopment of the residential property located at 1840 to 1878 Broadway Place North East, Albuquerque, New Mexico ("*Broadway McKnight*");

WHEREAS, the Board's actions in Resolution Nos. 2020-04, 2020-26, 2020-28, and 2021-09 further authorized the formation of AHA Broadway McKnight GP, LLC to serve as the general partner (the "*General Partner*") of Broadway McKnight, LLLP, which would serve as the owner of the project (the "*Partnership*"), and granted the Executive Director the authority to negotiate, execute, agree to such documents and agreements as needed to affect the transaction, including borrowing, necessary to redevelop Broadway McKnight; and

WHEREAS, the transaction to rehabilitate Broadway McKnight is now set to close in the coming weeks.

NOW, THEREFORE, BE IT RESOLVED BY THE AHA HOUSING COMMISSIONERS, the governing body of the AHA that:

The Board of Housing Commissioners hereby authorizes the Executive Director to sign and execute all loan and transactional documents necessary to affect the closing on Broadway McKnight; and

The Board of Housing Commissioners further authorizes and passes the following resolutions in support of the foregoing:

1. **RESOLVED**: that the actions of the officers of Albuquerque Housing Authority ("*Authority*"), in causing the Authority to become a guarantor of certain obligations of the Partnership, are hereby ratified;

2. **RESOLVED**: that:

(a) U.S. Bank National Association, a national banking association ("*Lender*"), has agreed to make a loan (the "*Loan*") to the Partnership, to pay a portion of the costs incurred or to be incurred by the Partnership in acquiring, developing and redeveloping certain land located in the County of Bernalillo, State of New Mexico and an 54-unit apartment project (the "*Project*") now located or hereafter to be located thereon (collectively, the "*Property*").

(b) The Authority is the fee owner of the Property and is entering into a Ground Lease Agreement with the Partnership for the Property (the "*Ground Lease*"), pursuant to which the Authority ground leases the Property to the Partnership for a term of up to 99 years;

(c) Pursuant to a Construction Loan Agreement between Lender and the Partnership (the "*Loan Agreement*"), Lender will agree to make the Loan to the Partnership in a principal amount not to exceed Twelve Million Two Hundred Thousand and No/100th Dollars ($12,200,000.00) for the purpose of paying certain costs and expenses related to the acquisition, development and construction of the Property and the Project. Capitalized terms used and not defined herein have the meanings given in the Loan Agreement.

(d) The Loan will be evidenced by a Construction Loan Promissory Note (the "*Note*") in the face principal amount not to exceed Twelve Million Two Hundred Thousand and No/100th Dollars ($12,200,000.00). The Note and the Partnership's obligations under the Loan Agreement will be secured by,

among other things, that certain deed of trust executed by the Partnership, as trustor, in favor of Lender, as beneficiary, and recorded substantially concurrently herewith in the Official Records of the county in which the Property is located (the "*Security Instrument*"), which will encumber the Property. In addition, the Partnership has agreed to pledge and assign to Lender, and create a first priority security interest in favor of Lender, in and to the Partnership's rights and interests in, among other things: (1) the construction contract for the project, (2) any architecture contract, (3) the Plans and Specifications, and (4) all other agreements now or hereafter entered into by the Partnership with any contractor, architect, engineer, or other consultant or third party in connection with the design, engineering, construction of or on the Property, or the management, maintenance, operations, marketing, or leasing of the Property, or any development of or improvement to the Property, in accordance with the Security Instrument and/or an assignment of contracts.

(e) In connection with the making of the Loan, the Authority is required to execute a Payment Guaranty Agreement and a Completion Guaranty Agreement, each in favor of Lender (collectively, the "*Guaranties*"), and that certain Environmental Indemnification Agreement in favor of Lender (the "*Environmental Indemnity*"), pursuant to which the Authority guarantees certain obligations of the Partnership under the Loan Documents, including, but not limited to the repayment of the Loan and the completion of the Project, and indemnifies Lender against certain liabilities.

3. **RESOLVED:** That the Authority and its affiliates are further authorized to

(a) Execute an amended and restated agreement of limited partnership (the "*Amended and Restated Limited Partnership Agreement*") on behalf of the Partnership to (i) accept USA Institutional Broadway, LLC (or as otherwise named) as the limited partner in the Partnership and (ii) redefine the terms of agreement among the partners of the Partnership.

(b) Execute an Unconditional Guaranty and other transactional documents to guaranty construction and other obligations of the General Partner on behalf of the Partnership in connection with the Project.

(c) Serve as the management agent and property manager of the Project, once completed.

4. **RESOLVED:** That the Authority and its affiliates are further authorized to sign such loan agreements and other documents as necessary or required for (a) the permanent financing of the Project with Rocky Mountain Community Reinvestment Corporation, after construction is completed and the Project is ready for occupancy; (b) a subordinate loan from the Authority to the Partnership in the amount up to Three Million Five Hundred Thousand and no/100th Dollars ($3,500,000.00) (the "*Gap Loan*"); (c) a subordinate seller's note to the Authority in the amount of the appraised value of the land for the use of the land under the Ground Lease (the "*Seller's Note*") and (d) a loan from the National Housing Trust Fund Program administered by New Mexico MFA in the amount of Four Hundred Thousand and no/100th Dollars ($400,000.00) (the "*NHTF Loan*").

5. **RESOLVED**: that Linda Bridge, Executive Director and Secretary of the Authority, be and each of them is hereby authorized, directed, and empowered, any one of them acting alone, in the name of the Authority and on behalf of the Authority:

(a) to execute and deliver the Ground Lease to the Partnership;

(b) to execute and deliver to Lender, and Lender is requested to accept, the Guaranties and the Environmental Indemnity in such form as may be agreed upon by the Authority and Lender pursuant to which Authority shall guaranty certain obligations of Partnership under the Loan Documents and indemnifies Lender against certain liabilities;

(c) to execute and deliver to Lender, and Lender is requested to accept, all other guaranties, indemnities and other documents required by Lender in connection with any transaction between Lender and the Partnership described herein; and

(d) to execute and deliver the Amended and Restated Limited Partnership Agreement and Unconditional Guaranty, among other documents, to the Limited Partner and Partnership; and

(e) To execute and deliver such loan documents and other documents as necessary or required for the (i) permanent financing of the Project with a third-party lender; (ii) the Gap Loan to the Authority; (iii) the Seller's Note to the Authority; and (iv) the NHTF Loan as specified above.

6. **RESOLVED**: that any act, document, or instrument relating to or evidencing any transaction between Lender and the Authority made or executed and delivered in the name of Authority by any officer on behalf of the Authority, acting individually, is hereby ratified as an act of the Authority.

PASSED and ADOPTED this 16th day of June 2021.
BY A VOTE OF 3 FOR, AND 0 AGAINST.

Members Absent: Rivera-Wiest, McGee
Members voting against: _____

ALBUQUERQUE HOUSING AUTHORITY
BOARD OF HOUSING COMMISSIONERS

By: /s Rebecca Robinson
Rebecca Robinson, Chairperson of the Board

ATTEST:

/s Linda Bridge
Linda Bridge, Secretary to the Board and Executive Director