

RESOLUTION NO. 2013-10-___ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, APPROVING THE SECOND AMENDED BYLAWS OF THE MCKINNEY HOUSING FINANCE CORPORATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on February, 2006, the City Council, approve the Amended Bylaws of the McKinney Housing Finance Corporation; and

WHEREAS, the City Council, by this resolution, desires to approve the Second Amended Bylaws of the McKinney Housing Finance Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. The City Council of the City of McKinney, Texas hereby approves the Second Amended Bylaws of the McKinney Housing Finance Corporation attached hereto as Exhibit A; and

Section 2. This Resolution shall be in full force and effect from and after its passage and adoption.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 1ST DAY OF OCTOBER, 2013.

CITY OF MCKINNEY, TEXAS

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary
BLANCA I. GARCIA
Assistant City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

EXHIBIT A

SECONDED AMENDED AND RESTATED BYLAWS OF

McKINNEY HOUSING FINANCE CORPORATION
A Public Non-Profit Corporation

ARTICLE ONE

Powers and Purposes

Section 1.01: Purpose. The McKinney Housing Finance Corporation (the "Corporation") is duly incorporated under and pursuant to the Texas Housing Finance Corporations Act (the "Act") for the purpose of benefiting and accomplishing public purposes of and on behalf of the City of McKinney, Texas (the "City"), by financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City at prices they can afford. It has been determined and declared by the Legislature of the State of Texas that such residential ownership and development will (a) provide for and promote the public health, safety, morals, and welfare; (b) relieve conditions of unemployment and encourage the increase of industry and commercial activity and economic development so as to reduce the evils attendant upon employment; (c) provide for efficient and well-planned urban growth and development including the elimination and prevention of potential urban blight and the proper coordination of industrial facilities with public services, mass transportation and residential development; (d) assist persons of low and moderate income in acquiring and owning decent, safe and sanitary housing which they can afford; and (e) preserve and increase ad valorem tax bases of local governmental units. The foregoing findings have been determined and declared by the Legislature of the State of Texas to lessen the burden of government and to be public purposes and functions.

Section 1.02: Powers. The Corporation shall have all such powers as are conferred by the Articles of Incorporation and the Act, and may exercise any powers incidental to, or necessary for, the performance of the powers therein prescribed and any such other powers that are necessary or appropriate to carry out the purposes of the Corporation except those additional powers that conflict with any resolutions, policies or ordinances of the City of McKinney or its governing body, this limitation shall not be read to conflict with the powers set forth by state law.

In furtherance of its purposes, the Corporation may:

- (1) Make contracts and other instruments as necessary or convenient to the exercise of powers;
- (2) Incur liabilities;
- (3) Borrow money at rates determined by the Corporation;
- (4) Issue notes, bonds, and other obligations;
- (5) Secure any of its obligations by the mortgage or pledge of all or part of the Corporation's property, franchises, and income;
- (6) Plan, research, study, develop and promote the establishment of residential development;
- (7) Make donations for the public welfare or for charitable, scientific or educational purposes;
- (8) Enter into contracts to perform services for any other housing finance corporation or any individual or entity acting on behalf of any other housing finance corporation or, with respect to residential development, any housing authority, nonprofit enterprise, or similar entity;
- (9) Apply for and accept, on its own behalf or on behalf of another person, advances, loans, grants, contributions, guarantees, rent supplements, mortgage assistance, and other forms of financial assistance from the federal government, the state, a county, a municipality, or any other public

or quasi-public body, corporation, or foundation, or from any other public or private source.

The list of powers enumerated in this provision is only illustrative and in no way limits or restricts any other powers prescribed by the Act or Articles of Incorporation.

ARTICLE TWO

BOARD OF DIRECTORS

SECTION 2.01: Powers, Composition and Term of Office. The affairs, activities, business, programs and property of the Corporation shall be managed and controlled by the Board of Directors (the "Board") and, subject to the restrictions imposed by law, including the Act, the City, the Articles of Incorporation, and these Bylaws, the Board shall exercise all powers of the Corporation and do all lawful acts.

Board membership and eligibility shall be in accordance with criteria stipulated in the City Council Policy on Board and Commission Member Appointment and Eligibility.

SECTION 2.02: Vacancies. Any vacancy occurring on the Board through death, resignation, increase in the number of directors, or otherwise, shall be filled by appointment by the City Council and the appointed successor director shall hold office until the expiration of the term for which the vacating director had been appointed

SECTION 2.03. Meeting of Directors. All meetings of the Board shall be held within the State of Texas and shall be conducted in accordance with the Texas Open Meetings Act. Meetings shall be posted and open to the public as required by Chapter 551 of the Texas Government Code, except such meetings requiring the discussion of legal, personnel, security or real estate matters. The Board may hold meetings in any manner permitted by law, including by telephone conference call, videoconference call, or any other manner allowed under Chapter 551 of the Texas Government Code. Attendance at the Board meetings is required in accordance with the City Council Policy. on Board and Commission Member Appointment and Eligibility.

SECTION 2.04: Annual Meeting. The annual meeting of the Board shall be held at the principal office of the Corporation in December of each year, at such time and place as shall be fixed by the consent of all of the directors. All other meetings may be held at the place selected by the Board within the boundaries of the City of McKinney.

SECTION 2.05. Regular Meetings. Regular meetings shall be held at such time and place as shall be designated, from time to time and pursuant to the notice requirements set forth in these Bylaws.

The Board shall meet monthly, but shall not be required to meet if no business is required to be conducted. At any meeting at which there is a quorum (that is, at least four (4) or a majority of the directors at the time being in office) present, any matter pertaining to the purpose of the Corporation may be considered and acted upon.

SECTION 2.06. Special Meetings. Special meetings of the Board may be held whenever called by the President, Secretary, a majority of the Directors at the time being in office, or by the City Council and pursuant to the notice requirements set forth in these Bylaws.

Unless otherwise indicated in the notice of the special meeting, any and all matters pertaining to the purposes of the Corporation may be considered and voted upon at a special meeting.

SECTION 2.07. Quorum. A quorum shall exist when a majority of the Directors at the time being in office are present at a meeting of the Board. At all regular and special meetings of the Board, a quorum shall be necessary for the consideration of matters pertaining to the Corporation and for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws. If there be less than a quorum present at any meeting of the Board, the Board shall not be empowered to act, and the President or presiding officer may adjourn the meeting and reschedule it for the next regularly scheduled meeting or for another time (with 72 hours posted public notice).

SECTION 2.08. Conduct of Business. At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, the President shall preside, and in the absence of the president, the Vice President shall exercise the powers of the President.

The Secretary of the Corporation shall act as Secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

SECTION 2.09. Executive Committee. The Board may designate three (3) directors to constitute an executive committee, which committee shall have and may exercise all of the authority of the Board in the management of the corporation, except where action of the Board of Directors is specified by law. The executive committee so designated shall keep regular minutes of the transactions of its meetings All sub-committee minutes shall be handled in the same manner as Board minutes and voted and approved by the Board and the City Council.

SECTION 2.10. Other Committees. The Board may establish one or more committees, each committee to consist of no more than three (3) of the Directors of the Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time adopted by the Board.

SECTION 2.11. Compensation of Directors. Directors shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

SECTION 2.12. Resignations. Any director may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE THREE

OFFICERS

SECTION 3.01. Selection, Titles and Term of Office. The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the President shall not hold the office of secretary. The Officers shall be chosen at its first meeting held after October 1st of each year.

SECTION 3.02. Powers and Duties of the President. The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board. Subject to the Board, the President shall have general supervision of the management of

the properties and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. The President shall be ex-officio a member of all standing committees. In furtherance of the purposes of the Corporation, the President may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation, subject to any restrictions imposed on such authority by applicable law or an express delegation by the Board of such authority to some other officer or agent of the Corporation.

SECTION 3.03. Powers and Duties of the Vice President. The Vice President shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the President during his or her absence or inability to act. Any action taken by the Vice President in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

SECTION 3.04. Powers and Duties of the Secretary. The secretary may sign with the President upon the approval of the Board in the name of the Corporation, and/or attest to the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the papers as the Board may direct, all of which shall at all reasonable time be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, which, when so affixed, shall be attested by his or her signature. When the corporate seal is required on instruments executed in the course of ordinary business, the secretary shall attest to the signature of the president or vice president and shall affix the seal thereto.

SECTION 3.05. Powers and Duties of the Treasurer. To the extent not otherwise provided by the Board, by rules or regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, the City's Finance Department shall have the responsibility to the disbursement, custody and security of all funds and securities of the Corporation in accordance with these Bylaws and statutes governing the Corporation formed under the Act. The Treasurer shall maintain the financial reports provided by the City's Finance Department.

SECTION 3.06. Executive Director. With City Council's approval, the Board may hire for a reasonable compensation an Executive Director to perform such duties as the Board may prescribe. The Executive Director shall serve at the will and pleasure of the Board and he or she shall be experienced and qualified in securing funding for and developing an effective affordable housing program. No director of the Corporation shall be eligible for this office unless he or she resigns from the Board. When the office of Executive Director becomes vacant, the Board shall appoint a successor.

SECTION 3.07. Resignation. Any officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE FOUR

PROVISIONS REGARDING ARTICLES OF INCORPORATION

AND BYLAWS

SECTION 4.01. Effective Date. These Amended and Restated Bylaws shall become effective upon their adoption by the Board and approval by the City Council.

SECTION 4.02. Amendments to Articles of Incorporation. The Articles of Incorporation may be amended at any time and from time to time so as to make any changes therein and to add any provisions thereto which might have been included in the Articles of Incorporation in the first instance pursuant to the provisions of the Act. Any such amendments shall be effected in any of the following manners: (i) the Board shall file with the City a written application requesting permission to amend the Articles of Incorporation, specifying in such application the amendment proposed to be made. The City shall consider such application and if it by appropriate resolution finds and determines that it is wise, expedient, necessary or advisable that the proposed amendment be made, authorize the same to be made and approve the form of the proposed amendment. The Board may then amend the Articles of Incorporation by adopting such amendment at a meeting of the Board and delivering the same to the Secretary of State of Texas; or (ii) the City may, at its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the Corporation and may terminate the Corporation, subject to any limitation on the impairment of contracts entered into by the Corporation, by adopting an amendment to the Articles of Incorporation at a meeting of the City Council and delivering the same to the Secretary of State of Texas.

SECTION 4.03. Amendments to Bylaws. These Bylaws may be altered, changed, or amended by majority vote of the Board at any meeting of the Board at which a quorum is present, provided notice of the proposed alteration, change, or amendment be contained in the notice of such meeting.

SECTION 4.04. Interpretation of Bylaws. These Bylaws, including all amendments thereto, and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE FIVE

FISCAL PROVISIONS

SECTION 5.01. Non-profit Corporation — Disposition of Earnings. The Corporation is a public non-profit corporation. No dividends shall ever be paid to, and no part of the net earnings of the Corporation shall be distributed to or inure to the benefit of, its directors, or officers, or other private person, association, or corporation, except in reasonable amount for services rendered, except that in the event the Board determines that sufficient provision has been made for the full payment of the expenses, debts, bonds and other obligations of the Corporation, then any net earnings of the Corporation thereafter accruing shall be paid to the City. Nothing herein contained, however, shall prevent the Board from transferring all or any part of its properties in accordance with the terms of any contract or agreement entered into by the Corporation.

SECTION 5.02. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year for the City. The fiscal year shall begin on the first day of October of each year and shall end with the thirtieth day of September of each year.

SECTION 5.03. Reports of Financial Statements. The treasurer shall present at the regular meetings of the Board on a quarterly basis a statement of finances or a written account of all monies received and paid out on behalf of the Corporation and such report shall be included in the regular minutes submitted to the City Council.

SECTION 5.04. Budget. The Board shall approve the proposed annual budget of by

July 25th . The Boards shall submit to the City Council for approval a proposed annual budget of the revenues of the Corporation and the expenses of conducting the affairs thereof for the ensuing fiscal year. The City Council may appropriate funds for use of the Corporation in meeting such expenses and expenditures, as may be necessary in the exercise of its duties, in the same manner as is provided in the City Charter for all departments of the City. All Corporation expenditures shall be approved by the Board, in accordance with the budget, and processed in accordance with the established procedures of the City.

SECTION 5.05. Dissolution of Corporation — Distribution of Funds and Properties. Upon dissolution of the Corporation, title to all funds and properties or interest in any real or personal property owned by the Corporation at the time of such dissolution shall vest in the City and possession of such funds and properties or interest in properties shall forthwith be delivered to the City.

ARTICLE SIX

GENERAL PROVISIONS

SECTION 6.01. Principal Office. The principal office of the McKinney Housing Finance Corporation shall be at 222 North Tennessee Street, McKinney, Texas 75069.

The Corporation shall have and continuously maintain in the State of Texas a registered office (which may be, but need not be, the same as the principal office) and registered agent in accordance with the provisions of Article 2.05 of the Texas Non-Profit Corporation Act. The Corporation may change its registered office and registered agent in accordance with the provisions of Article 2.06 of the Non-Profit Corporation Act. Process may be served on the Corporation in accordance with the provisions of Article 2.07 of the Texas Non-Profit Corporation Act.

SECTION 6.02. Seal. The seal of the Corporation shall be determined by the Board. The corporate seal shall be circular and shall have inscribed in the outer circle "McKinney Housing Finance Corporation" and shall have inscribed in the inner circle the letters "T-E-X-A-S" and a five pointed star. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The imprint of this seal thus authorized is affixed opposite to this section.

SECTION 6.03. Notice and Waiver. Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, said notice shall be deemed sufficient if provided by depositing the notice, enclosed in a postpaid, properly addressed wrapper, in a post office or official depository under the care and custody of the United States Postal Service; by personal delivery; by telegraph; by telephonic document transfer; by electronic mail, or similar communications equipment, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing or such other method of delivery.

Except as otherwise provided by law, the Articles of Incorporation or the Bylaws, as amended, supplemented, and restated, neither the specific business to be transacted nor the purpose of any regular or special meeting need be specified in the notice or waiver of notice. Attendance for a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Whenever any notice is required to be given to any director, a waiver thereof in writing signed by the person or persons entitled to said notice, whether signed before or after the time required for the notice, shall be deemed equivalent to the giving of such notice.

SECTION 6.04. Action Without a Meeting of Directors or Committee. Any action which may be taken at a meeting of the Board or any committee may be taken without a meeting if consent in writing, setting forth the action to be taken, shall be signed by a majority of the directors, or, as appropriate, all of the members of the committee. Such consent shall have the same force and effect as a vote and may be stated as such in any Articles of Incorporation or other document filed with the Secretary of State under the Act.

SECTION 6.05. Approval of Action Taken by the Board. Approval of any action taken by the Board shall be evidenced by the minutes or other evidence of said action sent in a timely manner to the City Council. The Board shall submit the minutes of all meetings, upon approval by the Board, to the City Council.

SECTION 6.06: Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board. All such books, records of account, and minutes shall be available for inspection by any director, officer or duly authorized representative thereof, or by any duly authorized representative of the City, except when and to the extent such disclosure is prohibited by applicable law.

Adopted this _____ day of _____ 2013.

Signature: _____

Printed Name: _____

President of the Board of Directors
McKinney Housing Finance Corporation.

Date: _____