

RESOLUTION NO. 2014-09-01 (MHFC)

A RESOLUTION OF THE MCKINNEY HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE OF MCKINNEY HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (THE LAKES OF EL DORADO APARTMENTS) SERIES 2014, A TRUST INDENTURE, A FINANCING AGREEMENT, A BOND PURCHASE AGREEMENT, A REGULATORY AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE ISSUANCE OF THE BONDS; AND OTHER PROVISIONS IN CONNECTION THEREWITH

WHEREAS, McKinney Housing Finance Corporation (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Texas Local Government Code, Chapter 394, as amended (the “Act”), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Act authorizes the Issuer to (a) make mortgage loans to provide financing for multifamily residential rental housing located within the City of McKinney, Texas (the “Unit”) , and intended to be occupied substantially (at 90 percent) by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining money to make such loans and provide such financing and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; (c) to pledge all or any part of the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant a security interest in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its bonds to refund in whole or in part at any time bonds theretofore issued by the Issuer under authority of the Act; and

WHEREAS, the Issuer has determined to provide a loan to Norstar Lakes of El Dorado, LLC, a Texas limited liability company (the “Borrower”), for the purpose of (i) acquiring, rehabilitating, improving and equipping a multifamily residential development located in the City of McKinney, Texas and known as the Lakes of El Dorado Apartments (the “Project”) to be rented to persons of low and moderate income and (ii) paying certain costs of issuance, as evidenced by that certain Financing Agreement dated as of September 1, 2014 (the “Financing Agreement”) by and between the Issuer and the Borrower, and in connection therewith the Borrower has agreed to assume certain of the obligations set forth in the Regulatory Agreement and Declaration of Restrictive Covenants dated as of

September 1, 2014 (the “Regulatory Agreement”) by and among the Issuer, Wilmington Trust, National Association, as Trustee (the “Trustee”) and the Borrower; and

WHEREAS, the Issuer now proposes to issue its bonds styled “McKinney Housing Finance Corporation Multifamily Housing Revenue Bonds (The Lakes of El Dorado Apartments) Series 2014” (the “Bonds”) pursuant to this Resolution and a Trust Indenture dated as of September 1, 2014 (the “Indenture”) between the Issuer and the Trustee; and

WHEREAS, the Issuer further proposes to sell the Bonds, upon the issuance thereof, to RBC Capital Markets, LLC (the “Underwriter”); and

WHEREAS, all capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Indenture unless the context in which they appear requires otherwise; and

WHEREAS, there have been presented to the Issuer proposed forms of each of the following:

1. the Indenture;
2. the Financing Agreement;
3. the Bond Purchase Agreement (the “Purchase Agreement”), by and among the Underwriter, the Issuer and the Borrower;
4. the Regulatory Agreement; and
5. the Preliminary Official Statement (the “Preliminary Official Statement”), relating to the Bonds.

WHEREAS, the Issuer finds the form and substance of the above-listed documents (hereinafter, collectively the “Bond Documents”) to be satisfactory and proper and finds the recitals with regard to the Issuer contained therein to be true, correct and complete and hereby determines to proceed with the issuance and sale of the Bonds, the execution of such documents and the taking of such other actions as may be necessary and appropriate in connection therewith.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MCKINNEY HOUSING FINANCE CORPORATION THAT:

Section 1. Based solely upon the representations made to the Board of Directors (the “Board”) by the Borrower, it appears and the Board hereby finds that the issuance of the Bonds and the making of the various contractual commitments, as provided herein, will provide a means of financing the Project within the Unit that accomplishes the public purpose of providing decent, safe and sanitary housing for residents of the Unit at prices they can afford.

- Section 2. The issuance of the Bonds in one or more series and in the aggregate maximum principal amount of not to exceed \$11,000,000, is hereby authorized and approved. The Bonds shall mature, bear interest at the rate or rates and shall be subject to the redemption features as specified in the Indenture. The Board hereby approves the Indenture in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President or Vice President of the Issuer is authorized and directed, for and on behalf of the Issuer, to execute the Indenture and such officers are hereby authorized to deliver the Indenture. Upon execution by the parties thereto and delivery thereof, the Indenture shall be binding upon the Issuer in accordance with the terms and provisions thereof.
- Section 3. The Board hereby approves the Financing Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President or Vice President of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to execute the Financing Agreement and such officers are hereby authorized to deliver the Financing Agreement. Upon execution by the parties thereto and delivery thereof, the Financing Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.
- Section 4. The Board hereby approves the Purchase Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President or Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, to execute the Purchase Agreement, and such officers are hereby authorized to deliver the Purchase Agreement. Upon execution by the parties thereto and delivery thereof, the Purchase Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.
- Section 5. The Board hereby approves the Regulatory Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President or Vice President of the Issuer are each hereby authorized and directed, for and on behalf of the Issuer, to execute the Regulatory Agreement, and such officers are hereby authorized to deliver the Regulatory Agreement. Upon execution

by the parties thereto and delivery thereof, the Regulatory Agreement shall be binding upon the Issuer in accordance with the terms and provisions thereof.

- Section 6. The Board hereby approves the Preliminary Official Statement and the changes to the Preliminary Official Statement which will result in the final Official Statement (the "Official Statement") proposed to be delivered in connection with the sale of the Bonds, in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the President or Vice President of the Issuer (upon advice of bond counsel to the Issuer) and the President or Vice President of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to execute the Preliminary Official Statement and the Official Statement. Delivery to the Underwriter of the Preliminary Official Statement and the Official Statement, based upon representations received from the Borrower is hereby authorized.
- Section 7. The Board hereby approves the Bonds in substantially the form and substance set forth in the Indenture as presented to the Board with such changes or additions as may be approved by the President or Vice President of the Issuer, as evidenced by their execution and delivery thereof and the President or Vice President of the Issuer are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon the Bonds, and the Secretary or any Assistant Secretary, by manual or facsimile signature, are hereby authorized and directed to attest the signature of the President or Vice President, and any of such officers is hereby authorized and directed to deliver the Bonds.
- Section 8. The Board hereby approves the sale of the Bonds to the Underwriter in accordance with the terms and conditions specified in the Purchase Agreement approved herein.
- Section 9. Wilmington Trust, National Association is hereby appointed as Trustee and paying agent under the terms of the Indenture for the Bonds. If said bank shall be unable or unwilling to so serve, the President or Vice President of the Issuer is hereby authorized and directed to designate a commercial bank or other entity with trust powers acceptable to it to serve as Trustee and paying agent.
- Section 10. The President and Vice President of the Issuer, either individually or jointly, are hereby authorized to approve the principal amount or amounts and maturity date or dates of the Bonds to be issued pursuant to this Resolution, to establish the interest rate or rates to be borne by the Bonds, provided, however, that the interest rate or rates shall never exceed 15% per annum. The President and Vice President of the Issuer, either individually or jointly, are further authorized to engage the services of

consultants that may be needed, in the opinion of such officer, to fully complete the issuance and delivery of the Bonds.

- Section 11. The officers of the Issuer are each hereby authorized to execute and deliver to the Trustee the written order of the Issuer for the authentication and delivery of the Bonds by the Trustee in accordance with the Indenture.
- Section 12. All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board and officers of the Issuer directed toward the financing of the Project and the issuance of the Bonds shall be and the same hereby is ratified, approved, and confirmed.
- Section 13. The officers of the Issuer shall take all action in conformity with the Act necessary or reasonably required to effectuate the issuance of the Bonds and take all action necessary or desirable in conformity with the Act to finance the Project and for carrying out, giving effect to, and consummating the transactions described in the Bonds, this Resolution, the Bond Documents, and any other instruments authorized by this Resolution or required to effect the transactions contemplated hereby, including without limitation, the execution and delivery of any certificates, agreements or documents in addition to those specifically referenced herein which are associated with the issuance of the Bonds.
- Section 14. The President or the Vice President of the Issuer is authorized to approve such changes to the documents specifically referenced in this Resolution as well as the certificates, agreements and documents authorized in Section 13 hereof, as they deem necessary or appropriate. The execution and delivery of such documents by either of such officers shall constitute conclusive evidence of such approval.
- Section 15. If any section, paragraph, clause, or provision of the Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

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**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE
MCKINNEY HOUSING FINANCE CORPORATION ON THE 5th DAY OF
SEPTEMBER, 2014.**

MCKINNEY HOUSING FINANCE CORPORATION

President

ATTEST:

Secretary