

McKINNEY HOUSING FINANCE CORPORATION BOARD

OCTOBER 14, 2022

The McKinney Housing Finance Corporation of the City of McKinney, Texas met in the 2nd Floor Conference Room, 222 N. Tennessee Street, McKinney, Texas on Friday, October 14, 2022, at 8:00 a.m.

Board Members Present: President Osiola Henderson, Vice President Thomas E Gibson, Treasurer Julius Mwangi, Paul Shirar, Tyler Underwood, and alternate Jared Helmberger. Absent: Gonzalo Cagigal, and Ranjith Raghunath.

Guest present: Robert Dransfield, Partner, Norton Rose Fulbright US LLP. Guests present on Conference Call: Claire Merritt, Assistant VP, Hilltop Securities Inc., Megan Rahmes, Investment Banker Analyst, Hilltop Securities Inc., Chloe Campbell, Hilltop Securities Inc, Jennifer Croxton, Director of Development, Knight Development, Kadi Canales, Development Coordinator, Knight Development, Orlando Cabrera, Partner, Arnall Golden Gregory LLP, and Alec J. Stone, Partner, Fox Rothschild LLP.

Staff Present: Janay Tieken, Director of Housing and Community Development and Cristel Todd, Affordable Housing Administrator.

22-0948 Consider/Discuss/Act on Election of Officers. Board unanimously approved the motion by Board member Gibson, seconded by Board member Underwood, to Approve Osiola Henderson as President. Board unanimously approved the motion by President Henderson, seconded by Board member Underwood, to Approve Thomas E. Gibson as Vice President. Board unanimously approved the motion by Vice President Gibson, seconded by Board member Underwood, to Approve Julius Mwangi as Treasurer. Board unanimously approved the motion by President Henderson, seconded by Vice President Gibson, to Approve Cristel Todd as Secretary.

22-0949 Minutes of the McKinney Housing Finance Cooperation Meeting of September 9, 2022. Board unanimously approved the motion by Vice President Gibson, seconded by Board member Underwood, to Approve the Minutes of the McKinney Housing Finance Cooperation Meeting of September 9, 2022.

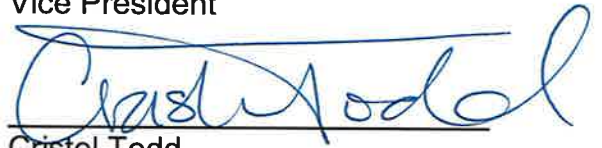
- 22-0950** Overview of Housing Finance Corporation's Roles and Responsibilities, Presented by Claire Merritt, Assistant VP, Hilltop Securities, Inc.
- 22-0951** The Board Reviewed the Approved FY22-23 Budget
- 22-0952** August Financials were presented and reviewed by the board
- 22-0953** Consider/Discuss/Act on Down Payment Assistance (DPA) Gift Amount for Eligible Homebuyers Applying for the My First Texas Home Combined with the Texas Mortgage Credit Certificate Program Purchasing in City of McKinney. Board unanimously approved the motion by Vice President Gibson, seconded by Board member Shirar, to Approve \$5,000 Down Payment Assistance (DPA) Gift Amount for Eligible Homebuyers Applying for the My First Texas Home Combined with the Texas Mortgage Credit Certificate Program Purchasing in City of McKinney.
- 22-0954** Consider/Discuss/Act on a Resolution of the McKinney Housing Finance Corporation Regarding the Submission of an Application or Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Remnant at Greenwood Apartments Project and Resolving Other Matters Incident and Related Thereto. Board unanimously approved the motion by Board member Underwood, seconded by Board member Shirar, to Approve the Resolution of the McKinney Housing Finance Corporation Regarding the Submission of an Application or Applications for Allocation of Private Activity Bonds to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Remnant at Greenwood Apartments Project, and Resolving Other Matters Incident and Related Thereto.

Board unanimously approved the motion by Board member Shirar, seconded by Board member Underwood, to Adjourn. There being no further business to discuss the meeting was adjourned at 9:13 a.m.

These minutes approved by the MHFC Board on November 11, 2022.



Thomas E. Gibson
Vice President



Cristel Todd
Secretary

RESOLUTION NO. 2022-11-001 (MHFC)

A RESOLUTION OF THE MCKINNEY HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE OF MCKINNEY HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (MILL STREAM APARTMENT HOMES), SERIES 2023, A FINANCING AGREEMENT, A BOND PURCHASE AGREEMENT, A REGULATORY AGREEMENT AND A CONSTRUCTION FUND AND GNMA FUND AGREEMENT; 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) finance 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 loans and provide 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 Pedcor Investments-2020-CLXXX, L.P., a Texas limited partnership (the "Borrower"), for the purpose of (i) acquiring, constructing, improving and equipping a multifamily residential development to be located in the City of McKinney, Collin County, Texas and to be known as the Mill Stream Apartment Homes (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 (the "Financing Agreement") by and among the Issuer, the Borrower, Merchants Capital Corp. (the "Lender"), BOKF, NA, as Construction Fund Agent and Registrar (the "Construction Fund Agent") and United Fidelity Bank, fsb (the "Purchaser"), 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 (the "Regulatory Agreement") by and among the Issuer, the Purchaser and the Borrower; and

WHEREAS, the Issuer now proposes to issue its bonds styled "McKinney Housing Finance Corporation Multifamily Housing Revenue Bonds (Mill Stream Apartment Homes), Series 2023" (the "Bonds") pursuant to this Resolution and the Financing Agreement; and

WHEREAS, the Issuer further proposes to sell the Bonds, upon the issuance thereof, to the Purchaser; and

WHEREAS, all capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Financing Agreement 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 Financing Agreement;
2. the Bond Purchase Agreement (the "Purchase Agreement"), by and among the Purchaser, the Issuer and the Borrower;
3. the Regulatory Agreement; and
4. the Construction Fund and GNMA Fund Agreement (the "Construction Fund Agreement"), by and among the Issuer, the Borrower, the Construction Fund Agent and the Purchaser.

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 process 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 \$38,000,000, 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 Financing Agreement. 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, Vice President or Treasurer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President, Vice President or Treasurer of the Issuer is 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 3. The Board hereby approves the Construction Fund Agreement in substantially the form and substance presented to the Board with such changes or additions thereto as may be approved by the President, Vice President or Treasurer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President, Vice President or Treasurer of the Issuer is hereby authorized and directed, for and on behalf of the Issuer, to execute the Construction Fund Agreement and such officers are hereby authorized to deliver the Construction Fund Agreement. Upon execution by the parties thereto and delivery thereof, the Construction Fund 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, Vice President or Treasurer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President, Vice President or Treasurer 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, Vice President or Treasurer of the Issuer (upon advice of bond counsel to the Issuer), as evidenced by their execution and delivery thereof and the President, Vice President or Treasurer 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.
- Section 6. The Board hereby approves the Bonds in substantially the form and substance set forth in the Financing Agreement as presented to the Board with such changes or additions as may be approved by the President, Vice President or Treasurer of the Issuer, as evidenced by their execution and delivery thereof and the President, Vice President or Treasurer 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, Vice President or Treasurer, and any of such officers is hereby authorized and directed to deliver the Bonds.
- Section 7. The Board hereby approves the sale of the Bonds to the Purchaser in accordance with the terms and conditions specified in the Purchase Agreement approved herein.
- Section 8. BOKF, NA is hereby appointed as Construction Fund Agent, Registrar and paying agent under the terms of the Financing Agreement and Construction Fund Agreement for the Bonds. If said bank shall be unable or unwilling to so serve, the President, Vice President or Treasurer 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 Construction Fund Agent, Registrar and paying agent.
- Section 9. The President, Vice President and Treasurer of the Issuer, either individually or jointly, are hereby authorized to approve any different date, designation or title by which the Bonds shall be known, 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, Vice President and Treasurer 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 10. The officers of the Issuer are each hereby authorized to execute and deliver to the Construction Fund Agent the written order of the Issuer for the authentication and delivery of the Bonds by the Construction Fund Agent in accordance with the Financing Agreement.
- Section 11. 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 12. 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 13. 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 12 hereof, and to make any changes or enter into any supplements or amendments that may be required following the closing of the Bonds for a period of up to one year, as they deem necessary or appropriate. The execution and delivery of such certificates, agreements and documents by either of such officers shall constitute conclusive evidence of such approval.

Section 14. 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.

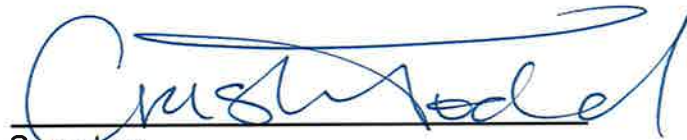
DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE MCKINNEY HOUSING FINANCE CORPORATION ON THE 11th DAY OF NOVEMBER, 2022.

MCKINNEY HOUSING FINANCE CORPORATION



Vice President

ATTEST:



Secretary

(Seal)



RESOLUTION NO. 2022-10-01 (MHFC)

A RESOLUTION OF THE MCKINNEY HOUSING FINANCE CORPORATION REGARDING THE SUBMISSION OF AN APPLICATION OR APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS TO THE TEXAS BOND REVIEW BOARD AND DECLARATION OF EXPECTATION TO REIMBURSE EXPENDITURES WITH PROCEEDS OF FUTURE DEBT FOR THE REMNANT AT GREENWOOD APARTMENTS PROJECT AND CONTAINING OTHER MATTERS INCIDENT AND RELATED THERETO

WHEREAS, the Board of Directors of the McKinney Housing Finance Corporation (the "Corporation") desires to submit one or more 2023 Applications for Allocation of Private Activity Bonds, a 2023 Application for Carryforward for Private Activity Bonds, one or more calendar year 2024 Applications for Allocation of Private Activity Bonds or a 2024 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations in a principal amount not to exceed \$30,000,000 (the "Bonds") relating to two qualified residential rental housing projects to be located at 900 Murray Place, McKinney, Texas 75069 and 1001A Throckmorton, McKinney Texas 75069 (collectively, the "Project");

WHEREAS, the Corporation intends to issue debt and loan the proceeds to The Remnant at Greenwood, LP or wholly owned subsidiary or affiliate (collectively, the "Borrower"), which will use the proceeds for acquiring, constructing, rehabilitating and equipping the Project;

WHEREAS, it is anticipated that the Borrower will make certain capital expenditures with respect to the Project and the Corporation currently desires and expects to reimburse the capital expenditures with proceeds of such debt;

WHEREAS, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations, the Corporation must declare its expectation to make such reimbursement; and

WHEREAS, the Corporation desires to preserve the ability of the Borrower to pay or reimburse the capital expenditures with proceeds of tax-exempt obligations.

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

Section 1. That any officer of the Corporation is authorized and directed to execute and deliver the Application to the Texas Bond Review Board in connection with requesting an allocation in the maximum amount of \$22,000,000 for the Bonds, together with any documents, certificates or instruments related thereto.

Section 2. That the President or Vice President of the Corporation or any other officer of the Corporation is hereby authorized and directed to take any and all other actions necessary or incidental to securing the private activity bond allocation(s) and requesting non-traditional carryforward of private activity bond allocation if needed.

Section 2. That the Corporation reasonably expects that the Borrower will reimburse capital expenditures with respect to the Project with proceeds of debt hereafter to be incurred by the Corporation, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of tax-exempt obligations expected to be issued for the Project is \$30,000,000.

Section 3. That Robert D. Dransfield and Cristel Todd are hereby appointed as the hearing officers of the Corporation for the purpose of conducting a public hearing or hearings required by Section 147(f) of the Internal Revenue Code

of 1986, as amended, associated with the issuance of the tax-exempt obligations expected to be issued for the Project.

Section 4. That all orders, resolutions, or any actions or parts thereof of the Board of Directors of the Corporation in conflict herewith are hereby expressly repealed to the extent of any such conflict.

Section 5. That this Resolution shall be in full force and effect from and upon its adoption.

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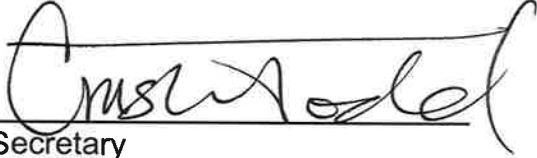
DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE MCKINNEY HOUSING FINANCE CORPORATION ON THE 14th DAY OF OCTOBER, 2022.

MCKINNEY HOUSING FINANCE CORPORATION



President

ATTEST:



Secretary