

RESOLUTION NO. 2020-06-001 (MHFC)

A RESOLUTION OF THE MCKINNEY HOUSING FINANCE CORPORATION AUTHORIZING THE ISSUANCE OF MCKINNEY HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTE (MCKINNEY FLATS) SERIES 2020, A FUNDING LOAN AGREEMENT, A PROJECT LOAN AGREEMENT AND A REGULATORY AGREEMENT; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE ISSUANCE OF THE NOTE; AND OTHER PROVISIONS IN CONNECTION THEREWITH

WHEREAS, McKinney Housing Finance Corporation (the “Governmental Lender”) 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 Governmental Lender 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 Governmental Lender; (b) to issue its revenue bonds or other obligations, including notes, 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 obligations; (c) to pledge all or any part of the revenues and receipts to be received by the Governmental Lender 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 obligations; and (d) to issue its obligations to refund in whole or in part at any time obligations theretofore issued by the Governmental Lender under authority of the Act; and

WHEREAS, the Governmental Lender has determined to provide a loan to McKinney Flats Ltd., a Texas limited partnership (the “Borrower”), for the purpose of (i) acquiring, constructing, improving and equipping a multifamily residential development located in the City of McKinney, Texas to be known as the McKinney Flats (the “Project”) to be rented to persons of low and moderate income and (ii) paying certain costs of issuance, as evidenced by that certain Project Loan Agreement (the “Project Loan Agreement”) by and among the Governmental Lender, Wilmington Trust, National Association (the “Fiscal Agent”) 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 (the “Regulatory Agreement”) by and among the Governmental Lender, the Fiscal Agent and the Borrower; and

WHEREAS, the Governmental Lender now proposes to issue its note styled “McKinney Housing Finance Corporation Multifamily Housing Governmental Note (McKinney Flats) Series 2020” (the “Note”) pursuant to this Resolution and a Funding Loan Agreement (the “Funding Loan Agreement”) among the Governmental Lender, JPMorgan Chase Bank, N.A. or its successors or assigns (the “Initial Purchaser”) and the Fiscal Agent; and

WHEREAS, the Governmental Lender further proposes to sell the Note, upon the issuance thereof, to the Initial Purchaser; and

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

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

1. the Funding Loan Agreement;
2. the Project Loan Agreement; and
3. the Regulatory Agreement.

WHEREAS, the Governmental Lender finds the form and substance of the above-listed documents (hereinafter, collectively the “Note Documents”) to be satisfactory and proper and finds the recitals with regard to the Governmental Lender contained therein to be true, correct and complete and hereby determines to proceed with the issuance and sale of the Note, 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 Note 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 Note in one or more series and in the aggregate maximum principal amount of not to exceed \$32,000,000, is hereby authorized and approved. The Note shall mature, bear interest at the rate or rates and shall be subject to the redemption features as specified in the Funding Loan Agreement. The Board hereby approves the Funding Loan 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 Governmental Lender (upon advice of

bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the President or Vice President of the Governmental Lender is authorized and directed, for and on behalf of the Governmental Lender, to execute the Funding Loan Agreement and such officers are hereby authorized to deliver the Funding Loan Agreement. Upon execution by the parties thereto and delivery thereof, the Funding Loan Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 3. The Board hereby approves the Project Loan 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 Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the President or Vice President of the Governmental Lender is hereby authorized and directed, for and on behalf of the Governmental Lender, to execute the Project Loan Agreement and such officers are hereby authorized to deliver the Project Loan Agreement. Upon execution by the parties thereto and delivery thereof, the Project Loan Agreement shall be binding upon the Governmental Lender in accordance with the terms and provisions thereof.

Section 4. 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 Governmental Lender (upon advice of bond counsel to the Governmental Lender), as evidenced by their execution and delivery thereof and the President or Vice President of the Governmental Lender are each hereby authorized and directed, for and on behalf of the Governmental Lender, 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 Governmental Lender in accordance with the terms and provisions thereof.

Section 5. The Board hereby approves the Note in substantially the form and substance set forth in the Funding Loan Agreement as presented to the Board with such changes or additions as may be approved by the President or Vice President of the Governmental Lender, as evidenced by their execution and delivery thereof and the President or Vice President of the Governmental Lender are hereby authorized and directed, for and on behalf of the Governmental Lender, to execute the Note or have their facsimile signatures placed upon the Note, 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 Note.

- Section 6. The Board hereby approves the sale of the Note to the Initial Purchaser in accordance with the terms and conditions specified in the Project Loan Agreement approved herein.
- Section 7. Wilmington Trust, National Association is hereby appointed as Fiscal Agent and paying agent under the terms of the Funding Loan Agreement for the Note. If said bank shall be unable or unwilling to so serve, the President or Vice President of the Governmental Lender is hereby authorized and directed to designate a commercial bank or other entity with trust powers acceptable to it to serve as Fiscal Agent and paying agent.
- Section 8. The President and Vice President of the Governmental Lender, either individually or jointly, are hereby authorized to approve the principal amount or amounts and maturity date or dates of the Note to be issued pursuant to this Resolution, to establish the interest rate or rates to be borne by the Note, provided, however, that the interest rate or rates shall never exceed 15% per annum. The President and Vice President of the Governmental Lender, 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 Note.
- Section 9. The officers of the Governmental Lender are each hereby authorized to execute and deliver to the Fiscal Agent the written order of the Governmental Lender for the authentication and delivery of the Note by the Fiscal Agent in accordance with the Funding Loan Agreement.
- Section 10. All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board and officers of the Governmental Lender directed toward the financing of the Project and the issuance of the Note shall be and the same hereby is ratified, approved, and confirmed.
- Section 11. The officers of the Governmental Lender shall take all action in conformity with the Act necessary or reasonably required to effectuate the issuance of the Note 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 Note, this Resolution, the Note 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 Note.
- Section 12. The President or the Vice President of the Governmental Lender 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 11 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 13. 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 Governmental Lender authorized or established by this Resolution or the Note 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 Governmental Lender 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 JUNE, 2020.**

MCKINNEY HOUSING FINANCE CORPORATION

President

ATTEST:

Secretary