

RESOLUTION NO. 2022-06-085 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY AUTHORIZING THE FORMATION OF THE MCKINNEY PUBLIC FACILITY CORPORATION (THE "CORPORATION"); APPROVING THE FORM AND SUBSTANCE OF ARTICLES OF INCORPORATION AND BYLAWS FOR THE CORPORATION; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the City Council of the City of McKinney, Texas (the "City Council") is the duly elected governing body of the Sponsor; and

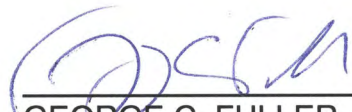
WHEREAS, the City Council has determined that it is in the public interest and to the benefit of the Sponsor's residents and the citizens of the State of Texas to create a public facility corporation for the purpose of financing, refinancing, or providing the costs of public facilities;

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

- Section 1. The Sponsor is hereby authorized and approved to create the Corporation, pursuant to Chapter 303 of the Texas Local Government Code to act on its behalf for the purpose of financing, refinancing, or providing the costs of public facilities; and
- Section 2. The articles of incorporation and bylaws for the Corporation, as attached herein, are approved and authorized for delivery to the Secretary of State of the State of Texas; and
- Section 3. Management of the Corporation is to be vested in its Board of Directors, which shall consist of no less than seven (7) Directors. The Directors designated in the articles of incorporation, as attached herein, constitute the initial board of directors who are to serve as directors until the first annual meeting or until their successors are elected and qualified. Such Directors are hereby authorized to do all things necessary or desirable to facilitate the creation of the Corporation and to further its public purpose on behalf of the Sponsor.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 21ST DAY OF JUNE 2022.

CITY OF MCKINNEY, TEXAS



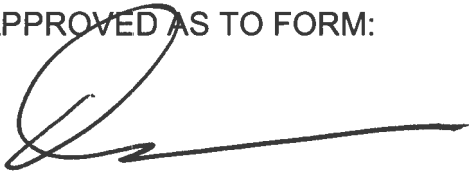
GEORGE C. FULLER
Mayor

ATTEST:



EMPRESS DRAME
City Secretary
JOSHUA STEVENSON
Deputy City Secretary

APPROVED AS TO FORM:

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a long, horizontal stroke that tapers off to the right.

MARK S. HOUSER
City Attorney

**ARTICLES OF INCORPORATION
of the
MCKINNEY PUBLIC FACILITY CORPORATION**

We, the undersigned natural persons, each of whom is at least eighteen years of age, citizens of the State of Texas, and residents of the City of McKinney, Texas (the “**City**”), acting as the incorporators of a nonprofit corporation under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “**Act**”), do hereby adopt the following Articles of Incorporation for the McKinney Public Facility Corporation (the “**Corporation**”):

ARTICLE I

The name of the Corporation is “MCKINNEY PUBLIC FACILITY CORPORATION.”

ARTICLE II

The Corporation is a nonprofit public corporation.

ARTICLE III

Subject to the powers of the City provided in the Act, the duration of the Corporation shall be perpetual.

ARTICLE IV

(a) The Corporation is organized to carry out the purposes of the Act and shall have and possess all powers enumerated in the Act. The sole purpose of the Corporation is to assist the City in financing, refinancing, or providing public facilities that are located within the city limits of the City of McKinney, Texas (“**Public Facilities**”). In the fulfillment of such purposes and subject to the limitations established herein and under the Corporation’s bylaws, the Corporation shall have and may exercise the powers described above, together with all other powers granted to corporations that are created pursuant to the Act. To the extent not in conflict with the Act or any other applicable law, rules, regulations, or requirements, the Corporation has and may exercise all of the rights, powers, privileges, authorities, and functions given by the laws of the State of Texas applicable to nonprofit corporations.

(b) In fulfilling its corporate purposes, and in exercising its corporate powers, duties, and operations, the Corporation is acting on behalf of the City and for its benefit and to accomplish its public purposes, as its duly constituted nonprofit public facility corporation, an authority and public instrumentality of the City pursuant to the Act and under, and within the meaning of, the applicable regulations of the United States Treasury Department and the rulings of the Internal Revenue Service of the United States prescribed and promulgated under and pursuant to the Internal Revenue Code of 1986, as amended.

(c) It is specifically and expressly provided that, except for such portion of revenue of the City as the City Council may expressly pledge to the financing or operations of the Corporation, if any, the actions, activities, and operations of the Corporation shall never create a liability of or against the City, and contracts, agreements, bonds, notes, or other debt instruments or obligations of the Corporation are not and shall never be deemed to be or constitute the contracts, agreements, bonds, notes, or other debt instruments or obligations of or by the City, or of or by any other

political corporation, subdivision or agency of the State of Texas, or a pledge of the faith and credit of any of the above.

ARTICLE V

The Corporation has no members and is a nonstock corporation.

ARTICLE VI

The affairs of the Corporation shall be managed by a board of directors which shall be composed in its entirety of persons appointed by the McKinney City Council. Except for the initial number and terms of office set forth herein, the number of directors and the terms of office of the directors shall be fixed by the bylaws of the Corporation. All other matters pertaining to the governance of the Corporation shall be governed by the bylaws, to the extent that the bylaws are not inconsistent with these Articles of Incorporation, any applicable law, or any rules, regulations, or resolutions of the City. Every meeting of the board of directors of the Corporation shall be posted in the same manner as is required for meetings of the McKinney City Council by Chapter 551, Texas Government Code, as amended.

ARTICLE VII

The street address of the initial registered office of the Corporation is 222 N. Tennessee, McKinney, Texas 75069 and the name of its initial registered agent at such address is Empress Drane.

ARTICLE VIII

(a) The number of directors constituting the Corporation’s initial board of directors is seven (7). The names and addresses of the persons who are to serve as the initial directors are as follows:

Name	Address
George Fuller	222 N. Tennessee, McKinney, Texas 75069
Rainey Rogers	222 N. Tennessee, McKinney, Texas 75069
Charlie Philips	222 N. Tennessee, McKinney, Texas 75069
Gere Feltus	222 N. Tennessee, McKinney, Texas 75069
Richard Franklin	222 N. Tennessee, McKinney, Texas 75069
Justin Beller	222 N. Tennessee, McKinney, Texas 75069
Patrick Cloutier	222 N. Tennessee, McKinney, Texas 75069

(b) Each director shall hold office for the term for which the director is appointed and until a successor shall have been appointed and qualified unless sooner removed or unless the director sooner resigns. Each director, including the initial directors, shall be eligible for reappointment. Directors are removable, with or without cause, by the McKinney City Council. The directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in the performances of their duties as directors. Any vacancy occurring on the board of directors through death, resignation, or otherwise, shall be filled by appointment by the McKinney City Council to hold office until the expiration of such term.

ARTICLE IX

The name and street address of each incorporator is:

Name	Address
George Fuller	222 N. Tennessee, McKinney, Texas 75069
Rainey Rogers	222 N. Tennessee, McKinney, Texas 75069
Charlie Philips	222 N. Tennessee, McKinney, Texas 75069

ARTICLE X

The City is the Corporation’s sponsor. The City’s address is 222 N. Tennessee, McKinney, Texas 75069. On June 21, 2022, the McKinney City Council duly adopted a resolution approving these Articles of Incorporation and approving the creation of the Corporation. The McKinney City Council has specifically authorized the Corporation to act on behalf of the City to further the public purpose set forth in these Articles of Incorporation and the Corporation’s bylaws. A copy of said resolution is on file in the permanent public records of the City.

ARTICLE XI

These Articles of Incorporation may be amended at any time and from time to time by the board of directors with the approval of the McKinney City Council, or by the McKinney City Council, in its sole discretion, subject, however, to limitations on the impairment of contracts entered into by the Corporation, all under and in accordance with the Act.

IN WITNESS WHEREOF, the undersigned incorporators have executed this document this ____ day of ____ .

BYLAWS OF MCKINNEY PUBLIC FACILITY CORPORATION

PREAMBLE

These Bylaws of the McKinney Public Facility Corporation, a Texas public facility corporation and public nonprofit corporation (“**Corporation**”) are subject to, and governed by the Public Facility Corporation Act, Chapter 303 of the Texas Local Government Code, as amended (the “**Act**”), and the Articles of Incorporation of the Corporation, as amended (“**Articles of Incorporation**”). In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the Act and/or the Articles of Incorporation, such provisions of the Act and/or the Articles of Incorporation, as applicable, shall control. The City of McKinney shall be referred to as the “**City**” and the City of McKinney City Council shall be referred to as the “**Governing Body**.”

ARTICLE I OFFICES

Section 1.1. Principal Office. The principal office of the Corporation is 222 N. Tennessee, McKinney, Texas 75069.

ARTICLE II BOARD OF DIRECTORS

Section 2.1. Powers. The property and affairs of the Corporation shall be managed by a board of directors (the “**Board**”). Each director shall be appointed by the Governing Body. The powers of the Board shall be subject to the limitations imposed by law and described in these Bylaws and the Articles of Incorporation. Any director may be removed from office at any time, with or without cause, by the Governing Body.

Section 2.2. Number and Term. The initial Board shall be those seven (7) individuals named in the Articles of Incorporation, each of whom, as well as any subsequent directors, shall serve for a term of three (3) years or until his or her successor is appointed by the Governing Body or until his or her death, resignation, or removal. The term of each director of the Corporation shall remain concurrent with the individual’s term of Board service.

Section 2.3. Qualifications. Directors of the Board shall be of the age of majority in the State of Texas. A person is only eligible to serve as a director of the Board if he or she is a member of the Governing Body, a senior staff person of the City, or a citizen of the City of McKinney who has been appointed by the Governing Body. The Board shall endeavor to have at least two directors with financial experience and at least one director with real estate law experience. If such requirements cannot be fulfilled, the Board President shall require the General Manager to procure and contract with any qualified independent third party to advise the Board in consultation with the City’s Chief Financial Officer. The Board shall not authorize the payment of any costs associated with the underwriting of any proposed Public Facility Project. The cost of these advisory services shall be borne by the applicant and will be due as part of the application fees regardless of outcome.

Section 2.4. Vacancies. Vacancies on the Board shall exist on the end of a term of office, death, resignation, or removal of any director, or if the size of the Board is increased pursuant to these Bylaws. Any vacancy on the Board shall be filled by appointment by written resolution of the Governing Body. A director appointed to fill a vacancy arising other than as a result of the completion of the term of a director shall be appointed for the unexpired term of his or her predecessor in office.

Section 2.5. Meetings of Directors. The Board may hold their meetings at any place authorized by the Act as the Board may from time to time determine; provided that, in the absence of any such determination by the Board, the meetings shall be held at McKinney City Hall.

Section 2.6. Regular Meetings. Regular Meetings of the Board shall be held at such times and places as shall be designated, from time to time, by the Board.

Section 2.7. Special Meetings. Special Meetings of the Board shall be held whenever called: (i) by the President or Secretary of the Board; (ii) by two (2) or more of the directors; (iii) or upon advice of or request by the Governing Body.

Section 2.8. Public Notice of Meetings; Open Meetings.

(a) Written notice of the date, hour, place, and subject of each meeting of the Board shall be posted before each meeting at such times and in such places as prescribed by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended (“TOMA”).

(b) Every meeting of the Board shall be open to the public, except as otherwise permitted by TOMA.

Section 2.9. Quorum. A quorum exists when there are physically present a simple majority of the number of members duly appointed to the Board pursuant to these Bylaws, regardless of the total number of members duly appointed to the Board. The act of four (4) 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.

Section 2.10. 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 of Directors may determine.

Section 2.11. Presiding Officers. 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. In the absence of the Secretary or at the request of the Secretary, the City Secretary shall act as Secretary during a meeting of the Board. In the absence of the Secretary and City Secretary, the presiding Officer may appoint any person to act as Secretary of the meeting.

Section 2.12. Committees. The Board, by resolution passed by a majority of the directors that are present at a properly-called meeting of the Board at which there is a quorum present, may designate three or more directors to constitute a committee, but any committee shall be limited in size so as not to constitute a quorum of the directors, and any such committee shall act in the manner provided in such resolution. The committee so designated shall keep regular minutes of the transactions of its meetings, shall cause such minutes to be recorded in books kept for that purpose in the office of the Corporation, and shall file such minutes with the Board from time to time. Committees are solely for advisory purposes and any action undertaken by the committee cannot bind the Board or the Corporation.

Section 2.13. Compensation of Directors. Directors shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses which are: (i) authorized by majority vote of the Board present at a properly-called meeting of the Board at which a quorum is present; and (ii) incurred in the performance of their duties hereunder.

ARTICLE III OFFICERS, MANAGERS, AND ADMINISTRATOR

Section 3.1. Titles and Term of Office.

(a) 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. Terms of office shall not exceed two (2) years, provided that an officer may be re-elected to such position by the Board of Directors. All officers must be a member of the Board. All officers shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the Board. A vacancy in an officer position shall be filled by a vote of a majority of the Board.

(b) The General Manager of the Corporation shall be the City Manager, unless another City employee is appointed by the Board by resolution authorized by a majority vote of the Board

present at a properly called meeting of the Board at which a quorum is present. The General Manager shall exercise such powers and perform such duties as are set forth in Section 3.7 of these Bylaws and as determined from time to time by the Board. The City Manager of the City may appoint an employee of the City to serve as the City's liaison ("**City Liaison**"). The City Liaison shall be kept informed by the Corporation of all corporate activities, be notified of all meetings, regular or special, be sent minutes of all such meetings, have the right to attend all such meetings, and be allowed to participate in all meetings. The City Liaison may provide other staff support as deemed necessary by the City Manager or his or her designee.

(c) The City Attorney shall provide general counsel services for the Board, including advice regarding TOMA, parliamentary procedure, and matters relating to board governance, as well as any other necessary legal matters. The Corporation may engage one or more outside attorneys to provide legal advice to the Corporation and the Board, subject to approval by the City Attorney.

Section 3.2. Powers and Duties of the President. The President shall be the chief executive officer of the Corporation, and subject to the direction of the Board, the President shall be in general charge of the properties and affairs of the Corporation and shall preside at all meetings of the Board. The President shall be the agent of the Corporation with responsibility for executing contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments on behalf of and/or in the name of the Corporation, provided however, that the President may not execute any instrument on behalf of the Corporation without the prior written approval of the Board and the Governing Body, when applicable. For purposes of this Section 3.2, the approval of the Board of the parties to and material terms of an instrument shall constitute the approval of the President's execution of such instrument except when the Board has otherwise authorized the execution of such instrument.

Section 3.3. Powers and Duties of the Vice President. The Vice President shall have such powers and duties as may be assigned by the Board of Directors and shall exercise the powers of the President during the President's absence or inability to act; provided however, that the Vice President may not execute any instrument on behalf of the Corporation without the prior written approval of the Board. For purposes of this Section 3.3, the approval of the Board of the parties to and material terms of an instrument shall constitute the approval of the Vice President's execution of such instrument except when the Board has otherwise authorized the execution of such instrument.

Section 3.4. Powers and Duties of the Treasurer. The Treasurer shall have custody of all the funds and securities of the Corporation. When necessary or proper, he or she may endorse, on behalf of the Corporation, for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all checks, receipts and vouchers for payment made to the Corporation, jointly with the General Manager, Assistant Treasurer and such other Officer as is designated by the Board; whenever required by the Board of Directors, he or she shall render a statement of the Corporation's accounts; he or she shall enter or cause to be entered regularly in the books of the Corporation to be kept by him or her for that purpose full and accurate amounts of all monies received and paid out on account of the Corporation; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board and provided that he or she shall not transfer, convey, or dispose of any asset of the Corporation except as directed by the Board and Governing Body, when applicable; and he or she shall, if required by the Board of Directors, give such bond for the faithful discharge of his or her duties in such form as the Board may require, at the expense of the Corporation.

Section 3.5. City's Chief Financial Officer. The Board shall appoint the Chief Financial Officer ("**CFO**") of the City or his or her designee to serve as an Assistant Treasurer, who shall have the same level of access to the books and records of the Corporation as the Treasurer. The Assistant Treasurer may perform any duty required of or power granted to the Treasurer in these Bylaws and/or in any resolution or order approved by the Board.

Section 3.6. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of this Corporation, he or she may sign with the President in the name of the Corporation and/or attest the signature thereto, all contracts,

conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation authorized by the Board as set forth in Section 3.2 above; he or she shall have access upon demand to the corporate books and records of which the Treasurer shall have custody and charge, and shall have custody and charge of such other books and papers as the Board may direct, all of which shall at all reasonable times be open to inspection upon request at the office of the Corporation during business hours; and he or she shall, in general, perform all duties incident to the office of Secretary subject to the control of the Board. The City Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board, other than the execution of documents.

Section 3.7. Powers and Duties of the General Manager.

(a) The powers and duties of the General Manager shall include the following:

(1) In cooperation with the Corporation's legal counsel, to ensure that all actions of the Board are in compliance with all applicable laws, ordinances, orders, and resolutions that are in effect;

(2) Except as otherwise herein provided, to hire and remove all subordinates, employees, agents, or contractors of the Corporation;

(3) To manage the day to day operations of the Corporation, subject to the Act, the Articles of Incorporation, these Bylaws, and any policies and procedures adopted by the Board;

(4) To review all contracts of the Corporation to ensure each contract is in accordance with the directives of the Board and execute such contracts when directed by the Board;

(5) To attend and participate in all meetings and deliberations of the Board to the extent allowed by TOMA, but shall not possess the power to vote;

(6) To recommend to the Board for adoption such measures as he or she may deem necessary or expedient to further the goals and priorities of the Governing Body;

(7) In collaboration with the Treasurer and Assistant Treasurer, keep the Board at all times fully advised of the financial condition of the Corporation including providing monthly financial statements or reports;

(8) To spend Corporation funds up to \$25,000.00 without prior approval from the Board when the General Manager deems it necessary to pay a refundable option fee or earnest money in connection with any contract for the sale, purchase, or lease of real property or real property interests, provided that the General Manager shall first execute an enforceable written agreement which makes all funds paid fully refundable at the Board's discretion. Any such agreement or pledge of funds shall be approved by the Board prior to execution or acceptance of an agreement that would render the funds non-refundable; and

(9) To act as budget supervisor with the Treasurer and Assistant Treasurer and as such prepare and submit to the Board the annual budget.

(b) The General Manager shall execute all necessary documents in performance of the duties specified in Section 3.6(a).

(c) The General Manager may appoint an Assistant General Manager who shall perform such duties of the General Manager as may be assigned by the General Manager and shall exercise the powers of the General Manager during the General Manager's absence or inability to act. The Assistant General Manager shall be removable, with or without cause, at any time by the General Manager. The Assistant General Manager shall not be an officer of the Board.

(d) The General Manager may appoint an Administrator who shall perform such duties as may be assigned by the General Manager or the Assistant General Manager and shall report to the General Manager or the Assistant General Manager, as applicable. The Administrator shall be removable, with or without cause, at any time by the General Manager and shall not be an officer of the Board.

(e) The General Manager shall make recommendations to the Board of Directors regarding the engagement and retainment of contractors for professional services, as needed by Corporation.

Section 3.8. Compensation. Officers shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder. If an employee of the City is appointed as the General Manager, Assistant General Manager, Assistant Treasurer, City Secretary, and/or the Administrator (those positions, if held by employees of the City, being referred to as “MPFC Liaisons”) then, the MPFC Liaisons shall not receive any salary from the Corporation for their performance of their duties because in this instance the MPFC Liaisons are not employees of the Corporation. Upon request of the Corporation, staff services for the Corporation shall be performed by a MPFC Liaison or other employees of the City, as determined by the Governing Body. The Corporation shall reimburse the City for City staff services; provided, however, such amount shall not exceed the amount adopted in the Corporation’s annual operating budget or exceed an amount otherwise authorized by a majority vote of the Board. Any employee of the City that performs the duties described herein shall be known as “staff.” Staff shall not include the General Manager, the Assistant General Manager, the Assistant Treasurer, the City Secretary, and the Administrator. If the General Manager, Assistant General Manager, Assistant Secretary, and/or the Administrator are not held by City employees, then those non-City individuals in those positions shall be compensated for their services by the Corporation.

Section 3.9. Requests by the Board of Directors. The Board may provide input to the the City Manager or City Manager’s designee, regarding the performance of duties of the MPFC Liaisons, in order to ensure alignment of their performance with the duties described in these Bylaws. By a two-third vote of the Board, the Corporation may request that the the City Manager assign a new person to fill the position in question. The City Manager retains the sole discretion regarding the reassignment of each position.

ARTICLE IV PROVISIONS REGARDING ARTICLES OF INCORPORATION AND BYLAWS

Section 4.1. Effective Date. These Bylaws shall become effective only upon the approval of the Governing Body by written resolution and adoption of these Bylaws by the Board.

Section 4.2. Amendments to Bylaws. These Bylaws may be amended as set forth in the Articles of Incorporation.

Section 4.3. Interpretation of Bylaws. These Bylaws 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 V GENERAL PROVISIONS

Section 5.1. Fiscal Year. The fiscal year of the Corporation shall be as determined by the Board of Directors.

Section 5.2. Seal. The seal of the Corporation, if any, shall be as determined by the Board.

Section 5.3. Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, such notice shall be deemed to be sufficient if sent by U.S. Mail, with proper postage, certified mail return receipt requested or by a nationally recognized overnight delivery service addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given three business days following

such mailing. Attendance of 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 grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice of such meeting, unless required by the Board or by the provisions of these Bylaws. A waiver of notice in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 5.4. Resignations. Any Director or Officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5.5. Action Without a Meeting of Directors or Committees. Any action which may be taken at a meeting of the Board or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be, subject to TOMA. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Texas Secretary of State, or any other person.

Section 5.6. Approval or Advice and Consent of the Governing Body. To the extent these Bylaws or the Articles of Incorporation refer to any approval by the City or refer to advice and consent by the City, such advice and consent shall be evidenced by a certified copy of a resolution, or motion duly adopted by the Governing Body.

ARTICLE VI PUBLIC FACILITY POWERS AND LIMITATIONS

Section 6.1. Purpose and Powers. The Corporation is organized exclusively for the purposes of assisting the City in financing, refinancing or providing “public facilities,” as defined in the Act and as approved by the Governing Body pursuant to the provisions of these Bylaws and the Articles of Incorporation. The Corporation shall have and possess all powers to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the Governing Body and pursuant to the Act. The Corporation is authorized to issue bonds, as defined and permitted by the Act; provided, however, no bonds, notes, or other evidence of indebtedness may be issued by the Corporation unless such bonds are first approved by resolution of the Governing Body.

Section 6.2. Governing Body Oversight. The Governing Body, in its sole discretion, may alter the Corporation’s structure, name, organization, programs, and activities, including dissolution of the Corporation, consistent with the Act and subject to any limitations provided by law relating to the impairment of contracts entered into by the Corporation. Before the consummation of the sale and delivery of any bonds, the Corporation shall obtain approval by the Governing Body by written resolution. In the exercise of its powers, the Corporation may enter into loan, lease, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements, and any specific uses and methods of withdrawals and expenditure of bond proceeds, are subject to the prior approval of the Governing Body by written resolution.

ARTICLE VII MULTIFAMILY RESIDENTIAL DEVELOPMENT

Section 7.1. Governing Body Consent and Annual Reporting Requirements. The financing, refinancing, or provision of any “public facilities,” as defined by the Act (“**Public Facility**”) related to multifamily residential development by the Corporation pursuant to the Act

and consistent with the City's Housing Policy is subject to review and approval by the Governing Body. Any other Public Facility undertaken by the Corporation not related to multifamily residential development, including the issuance of mortgage revenue bonds, is subject to review and approval by the Governing Body.

At least twice a year, the Corporation shall: (i) provide a written report to the Governing Body and to the City's CFO that includes: (a) a summary of the Corporation's performance including production of housing units by income band and project; and (b) a budget that shall be updated periodically by the Governing Body for the use of the Corporation's revenue to advance the City's housing production goals as adopted and any other activities undertaken by the Corporation ; and (ii) brief such report to the appropriate committee of the Governing Body with oversight of housing and/or economic development activities in the City.

Section 7.2. Net Revenue of the Corporation. Any net revenue generated by any Public Facility related to multifamily residential development by this Corporation shall be placed into the City's General Fund for future appropriation by the McKinney City Council.

Section 7.3. Limits on Participation for Multifamily Residential Developments. The Corporation shall not participate in any Public Facility related to multifamily residential development unless: (i) the development of the Public Facility could not be feasible but for the Corporation's participation; and (ii) the development of the Public Facility is in furtherance of the City of McKinney's Housing Policy, as amended, housing programs, policies, and initiatives, and is carried out pursuant to the provisions of the Corporation's bylaws and the Act. Furthermore, in any resolution approving the Corporation's participation in a Public Facility, the Board must find that the development of the Public Facility is in furtherance of the City of McKinney's Housing Policy, as amended, including its housing programs, policies, and initiatives, and must specifically state the specific un-met housing need that the Public Facility will address.

Section 7.4. Solicitation of Development Proposals and Third-Party Services. The Corporation shall solicit multifamily residential proposals and third-party services through an open application process. Any Public Facility, including multifamily residential developments, developed on City or other publicly owned land shall be solicited through a request for proposals or similar method in accordance with all laws, ordinances, orders, resolutions, criteria, and policies that are applicable to the City.

ARTICLE VIII CODE OF ETHICS

Section 8.1. Conflicts of Interest. Directors and Officers are subject to the ethics provisions McKinney City Code, as amended. It is the policy of the Corporation that Directors and Officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that no Officer, employee, or member of the Board should have an interest, financial or otherwise, direct or indirect, or engage in any business, transaction, or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties and are not to use their position for personal gain.

ARTICLE IX INDEMNIFICATION

Section 9.1. Indemnification. A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such Director's capacity as a Director, except that this Article does not authorize the elimination or limitation of the liability of a Director to the extent the Director is found liable for: (i) a breach of a Director's duty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the Director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which a Director received an improper benefit, whether or not

the benefit resulted from an action taken within the scope of the Director's office; or (iv) an act or omission for which the liability of a Director is expressly provided for by an applicable statute. The foregoing elimination of liability shall not be deemed exclusive of any other rights, limitations of liability, or indemnity to which a Director may be entitled under any other provision of the Articles of Incorporation or these Bylaws, any contract or agreement, vote of Directors, principle of law, or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a Director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, a Director shall not be liable to the full extent permitted by any amendment to the Texas Business Organizations Code or the Act hereafter enacted that further eliminates or authorizes the elimination of the liability of a Director.

Section 9.2. Directors and Officers Insurance. The Corporation shall indemnify Directors, Officers, employees, and agents of the Corporation to the fullest extent permitted by law, subject in each case to the restrictions, if any, of Section 8.1 above. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons to the fullest extent permitted by law.

Adoption of Bylaws

We, the undersigned, are all of the initial directors of the Corporation, and we consent to, and hereby adopt, the foregoing Bylaws, as the Bylaws of this Corporation.

Dated: _____

By: _____
George Fuller
Title: Mayor

By: _____
Rainey Rogers
Title: Mayor Pro Tem

By: _____
Charlie Philips
Title: Council Member

By: _____
Gere Feltus
Title: Council Member

By: _____
Richard Franklin
Council Member

By: _____
Justin Beller
Title: Council Member

By: _____
Patrick Cloutier
Title: Council Member