

RESOLUTION NO. 2020-06-004 (MHFC)

RESOLUTION AUTHORIZING THE ASSIGNMENT OF MCKINNEY FLATS GP LLC, THE GENERAL PARTNER (THE “COMPANY”) OF MCKINNEY FLATS LTD. TO THE MCKINNEY HOUSING FINANCE CORPORATION (THE “CORPORATION”) IN CONNECTION WITH THE CORPORATION’S MULTIFAMILY HOUSING REVENUE BONDS (MCKINNEY FLATS); AUTHORIZING THE DESIGNATION OF THE CORPORATION AS THE SOLE MEMBER OF THE COMPANY; APPROVING THE FORM AND SUBSTANCE OF AN AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE COMPANY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the McKinney Housing Finance Corporation (the “*Corporation*”) has been duly created and organized pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code, 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 they can afford; and

WHEREAS, the Act authorizes the Corporation: (a) to make loans to any person to provide financing for rental residential developments located within the jurisdiction of the Corporation and intended to be occupied substantially (at least 90 percent) by persons of low and moderate income, as determined by the Corporation; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Corporation, including the revenues and receipts to be received by the Corporation from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Corporation in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board of Directors of the Corporation (the “*Board*”) has determined to issue, sell and deliver its Multifamily Housing Revenue Bonds (Heath Independent Senior Living), in an aggregate principal amount not to exceed \$32,000,000 (the “*Bonds*”) to provide for the financing by McKinney Flats Ltd., a Texas limited partnership (the “*Borrower*”), of the acquisition,

construction and equipping of a multifamily residential rental development for seniors to be known as McKinney Flats located in the City of McKinney, Collin County, Texas (the "*Development*"), the payment of certain costs of issuance of the Bonds in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, in connection with the issuance of the Bonds, the Board has determined that it is in the best interest of the Corporation to receive assignment of and act as the sole member of McKinney Flats GP LLC (the "*Company*"), which will be the general partner of the Borrower; and

WHEREAS, as the sole member of the Company, the Corporation desires to authorize all action necessary and appropriate for the issuance of the Bonds, to appoint officers of the Company and authorize the officers to enter into agreements on behalf of and for the benefit of the Borrower; to approve of the assignment of the Company to the Corporation; to approve of the form and substance of the Borrower's Limited Partnership Agreement (the "*Partnership Agreement*") and all other applicable documentations in connection with the financing of the Development; and to ratify all actions previously taken on behalf of the Company in connection with the issuance of the Bonds and operation of the Development;

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

Section 1. Assignment of Company. The assignment of McKinney Flats GP LLC by NRP Holdings LLC ("*NRP*") or such other entity serving as owner of the Company to the Corporation is hereby approved and ratified, such approval and ratification being subject to receipt of acceptable indemnification by NRP with respect to any liabilities or obligations of the Company incurred prior to the date of assignment.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Company is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of an Amended and Restated Limited Liability Company Agreement (the "*Company Agreement*") are hereby approved, and the officers of the Corporation, as sole member of the Company, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Company. The persons holding the offices of President, Vice President and Secretary of the Corporation are hereby appointed to such offices of the Company.

Section 5. Execution and Delivery of Financing Documents. The officers of the Company are each hereby authorized to negotiate the terms of, execute and attest to any such agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Company or the Borrower to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason 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.

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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

By _____
Name: _____
Title: _____

ATTEST:

By _____
Name: _____
Title: _____