

**RESOLUTION NO. 2020-06-006 (MHFC)**

**RESOLUTION AUTHORIZING THE FORMATION OF MCKINNEY FLATS HOLDINGS, LLC (THE “GROUND LESSOR”) IN CONNECTION WITH THE MCKINNEY HOUSING FINANCE CORPORATION (THE “CORPORATION”) MULTIFAMILY HOUSING REVENUE BONDS (MCKINNEY FLATS); AUTHORIZING THE DESIGNATION OF THE CORPORATION AS THE SOLE MEMBER OF THE GROUND LESSOR; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE GROUND LESSOR; 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 (McKinney Flats), 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 to be known as McKinney Flats located in the City of McKinney, Collin County, Texas, the payment of certain costs of issuance of the Bonds in accordance with the Constitution and laws of the State of Texas; and

**WHEREAS**, McKinney Flats Holdings, LLC (the “*Ground Lessor*”), a Texas limited liability company whose sole member is the Corporation will enter into a ground lease (the “*Ground Lease*”) with the Borrower; and

**WHEREAS**, as the sole member of the Ground Lessor, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions under the Ground Lease, to appoint officers of the Ground Lessor; to approve of the Ground Lessor’s formation and the form and substance of its Limited Liability Company Agreement (the “*Company Agreement*”); and to ratify all actions previously taken on behalf of the Ground Lessor;

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

*Section 1. Formation of Ground Lessor.* The formation of McKinney Flats Holdings, LLC is hereby approved and ratified.

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

*Section 3. Approval and Execution of the Company Agreement.* The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Ground Lessor, are each hereby authorized to execute the Company Agreement.

*Section 4. Appointment of Officers of the Ground Lessor.* 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 Ground Lessor are each hereby authorized to negotiate the terms of, execute and attest to the Ground Lease and any other 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 Ground Lessor 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.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE  
MCKINNEY HOUSING FINANCE CORPORATION ON THE 5<sup>th</sup> DAY OF JUNE, 2020.**

MCKINNEY HOUSING FINANCE CORPORATION

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_