

RESOLUTION NO. 2020-06-005 (MHFC)

RESOLUTION AUTHORIZING THE FORMATION OF MCKINNEY FLATS CONTRACTOR, LLC (THE “COMPANY”) TO SERVE AS GENERAL CONTRACTOR 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 COMPANY; APPROVING THE FORM AND SUBSTANCE OF A 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 (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

(the “*Development*”) 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, in connection with the issuance of the Bonds, the Board has determined that it is in the best interest of the Corporation to act as the sole member of McKinney Flats Contractor, LLC (the “*Company*”), which is a limited liability company organized for the purpose of acting as the general contractor for the Development and entering into any necessary contracts and agreements related thereto; 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 Company’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 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. Formation of Company. The formation of McKinney Flats Contractor, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The Corporation is hereby designated as the sole member of the Company.

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 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 Construction Documents. The Company is hereby authorized to serve as the general contractor for the Development and execute and deliver such documents, certificates, directions, approvals, waivers, notices, instruments and other communications as may be reasonably necessary with regard to the construction of the Development (the “*Construction Documents*”). The officers of the Company are each hereby authorized to negotiate the terms of, execute and attest to any Construction Documents, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**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: _____