

**MCALLEN HOUSING FINANCE CORPORATION**  
**MAY 16, 2000**

A meeting of the McAllen Housing Finance Corporation was held on May 16, 2000 at 11:30 a.m. at The McAllen Country Club, Mesquite Room with the following present:

Present:	Lynda Moore	Vice-President
	Wilfred Dean	Member
	Bill Meyers	Member
	Carlos Garza	Member
	Charles Cardenas	Member
	Morgan Talbot	Member
Staff:	Jim Darling	City Attorney
	Leticia M. Vacek	City Secretary/Corp.Secretary
	Jerry Dale	Finance Director/Treasurer

**CALL TO ORDER**

Vice-President Lynda Moore called the meeting to order.

**MINUTES**

**1. APPROVAL OF MINUTES FOR MEETING HELD OCTOBER 8, 1999**

Mr. Talbot moved to approve the minutes for the meeting held October 8, 1999. Mr. Garza seconded the motion. Motion carried unanimously by those present.

**2. CONSIDERATION AND ACTION ON SALE OF MORTGAGES UNDER BOND PROGRAM**

At the request of the McAllen Housing Finance Corporation Board, requests for proposals were sent out to local banks in an effort to have the mortgages purchased by a local entity. Mr. Darling reported only one response was received. This was from Frost National Bank who proposed 110 % of the outstanding principal balance on the notes as of April 30, 2000 subject to a feasibility study and the following terms and conditions:

- a. Frost be given an opportunity for a due diligence review of the 32 loan files, the original bond program guidelines and investor reports.
- b. Frost be given time to conduct a drive-by inspection of each of the properties covered by the mortgages.
- c. Frost reviews and inspections be completed within three (3) business days of acceptance of proposal.

- d. Subject to the satisfactory reviews and inspections in its sole discretion, Frost will purchase the 32 notes and mortgages.
- e. The purchase price will be for cash as follows:

(1) On loans that have no payments in arrears, Frost will pay one hundred ten percent (110%) of the outstanding principal balances on the notes as of April 30, 2000, with May 2000, payment due dates.

(2) On loans that are delinquent in payment(s), Frost will pay one hundred percent (100%) of the outstanding principal balances on the notes as of April 30, 2000, with May, 2000, payment due dates.

Mr. Talbot moved to approve the sale of mortgages to Frost National Bank in accordance with the bid as outlined. Mr. Garza seconded the motion. Motion carried unanimously by those present. It was noted that the corporation has \$10,000 in the reserve account and \$216,000 in the bank with the City.

### **3. CONSIDERATION AND ACTION ON POTENTIAL USES FOR CORPORATION FUNDS.**

Mr. Darling referred to page 944 of the Local Government Code handout. Sections c and d were reviewed as follows:

(c) A housing finance corporation may make donations for the public welfare or for charitable, scientific, or educational purposes.

(d) A housing finance corporation may enter into contracts to perform services for any other housing finance corporation or any individual or entity acting on behalf of any other housing finance corporation or, with respect to residential development, any housing authority, nonprofit enterprise, or similar entity.

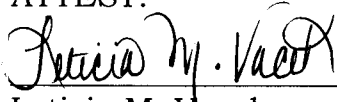
Mr. Darling and Ms. Moore reported they spoke with Joe Saenz of the McAllen Housing Authority and that he is interested in working with the corporation. Mr. Garza suggested looking into revitalization of the older parts of the city. He mentioned INB's offer to loan monies for revitalization. Mr. Garza added that the City wants to have a visible impact for the neighborhood.

Mr. Darling mentioned going through Amigos Del Valle for a project for the elderly. Mr. Talbot reiterated a condo complex for the elderly. He added that he would like to see a timeline to make something happen. Mr. Talbot stated that the majority of the board wants to reconstruct homes. It was stated that there would be some monies for re-hab, if it is worth it. Mr. Darling suggested taking this to the City Commission for suggestions, and a game plan on the uses, using this money (\$380,000) as leverage.

There being no other business to come before the Board, the meeting was unanimously adjourned at 12:40 p.m.

\_\_\_\_\_  
Lynda Moore, Vice-President

ATTEST:

  
\_\_\_\_\_  
Leticia M. Vacek  
Corp. Secretary

**CERTIFICATION OF CORPORATE RESOLUTION**

**STATE OF TEXAS           §**

**COUNTY OF HIDALGO   §**

**Date:**       May 16, 2000

**Corporation:** City of McAllen Housing Finance Corporation

**President:** Richard Cortez, President

**Secretary:** Leticia M. Vacek

**Date of Meeting of Board of Directors:** May 16, 2000

We, President and Secretary of the corporation, certify the following facts:

1.    The corporation is organized and operating under the laws of the State of Texas, is qualified to do business here, and is in good standing.
2.    No proceedings for forfeiture of the certificate of incorporation or for voluntary or involuntary dissolution of the corporation are pending.
3.    Neither the articles of incorporation nor bylaws of the corporation limit the power of the Board of Directors to pass the resolution below.
4.    The President, Secretary and other corporate officers are the persons authorized to make and sign this resolution.
5.    The Secretary keeps the records and minutes of the proceedings of the Board of Directors of the corporation, and the resolution below is an accurate reproduction of the one made in those proceedings; it has not been altered, amended, rescinded, or repealed; and it is now in effect.
6.    The resolution below was legally adopted on the date of the meeting of

the Board of Directors, which was called and held in accordance with the law and the bylaws of the corporation, at which a quorum was present.

7. This resolution has been adopted by the Board of Directors:

**RESOLVED**, that CITY OF McALLEN HOUSING FINANCE CORPORATION authorizes the award of the sale of mortgages under the City of McAllen Housing Finance Corporation Single-Family Mortgage Revenue Refunding Bonds, Series 1991 bond program to Frost National Bank and authorizes Richard Cortez, President and to execute all necessary documentation for the assignment of such mortgages to Frost National Bank.

CITY OF McALLEN HOUSING  
FINANCE CORPORATION

By: *Lynda Moore*  
Lynda Moore, Vice President

ATTEST:

*Leticia M. Vacek*  
Leticia M. Vacek, Secretary

Approved as to form:

*James E. Darling*  
James E. Darling, City Attorney



LEO MONTALVO, Mayor  
PHYLLIS GRIGGS, Mayor Pro Tem  
CARLOS I. GARZA, Commissioner  
JAN M. KLINCK, Commissioner  
JOHN SCHROCK, Sr., Commissioner

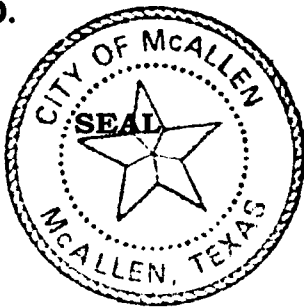
MIKE R. PEREZ, City Manager

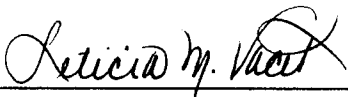
## CERTIFICATION

STATE OF TEXAS  
COUNTY OF HIDALGO  
CITY OF MCALLEN

I, Leticia M. Vacek, City Secretary of the City of McAllen, do hereby certify that the following is a true and correct copy of a Corporate Resolution which was approved by the City of McAllen Housing Finance Corporation on May 16, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed the official seal of the City of McAllen, Texas, this 7<sup>th</sup> day of June, 2000.



  
\_\_\_\_\_  
Leticia M. Vacek, CMC  
City Secretary